

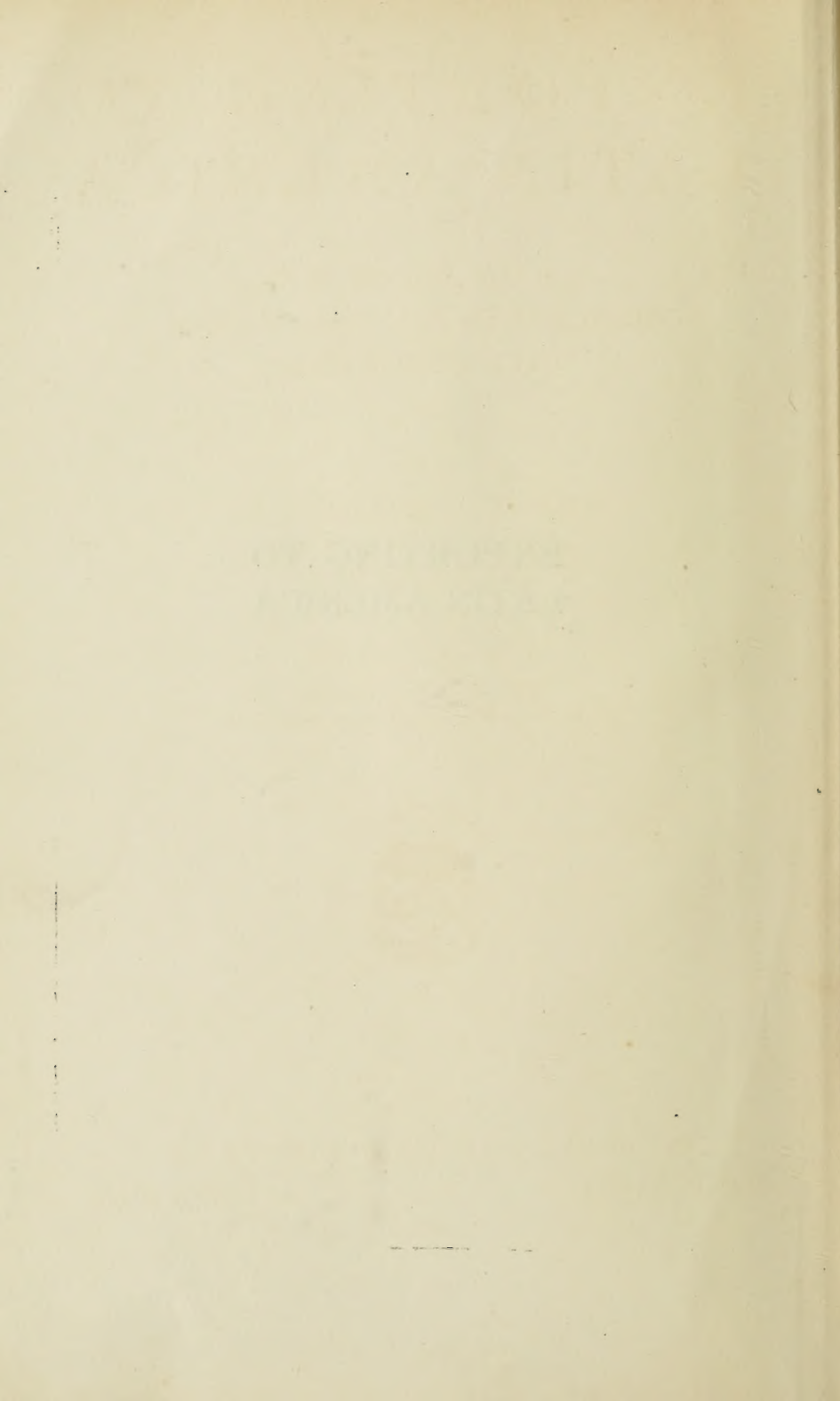


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**EXPORTING TO
LATIN AMERICA**



EXPORTING TO LATIN AMERICA

A HANDBOOK FOR
MERCHANTS, MANUFACTURERS
AND EXPORTERS

BY
ERNST B. FILSINGER

CONSUL OF COSTA RICA AND ECUADOR.
FORMERLY PRESIDENT AND COMMISSIONER TO
LATIN AMERICA OF THE LATIN AMERICAN
FOREIGN TRADE ASSOCIATION.

WITH A FOREWORD BY
DR. LEO S. ROWE

PROFESSOR OF ECONOMICS, UNIVERSITY OF PENNSYLVANIA



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TO
MY WIFE
SARA TEASDALE FILSINGER

FOREWORD

It is a curious fact that American merchants and manufacturers have been less eager than their European rivals to accept advice and suggestion with reference to the development of foreign trade; in fact, for many years such advice was resented as a reflection on the native capacity of the American business man. It is only within recent years that we find developing a real and sincere desire to ascertain the business principles which will enable the American exporter to meet the competition of his European rival.

The clear and systematic presentation of the conditions necessary to the development of foreign trade made by Mr. Filsinger means a real national service, a service which will be appreciated by our merchants and manufacturers. The author's conclusions are based on personal study and observation, and although he does not claim to say the last word on the subject, his advice and suggestions will be of great value. His presentation shows that successful competition for Latin American trade is not merely a question of prices but involves a great number of other considerations—questions of credit, adaptation to local taste, willingness to conform to local commercial methods. With information concerning the requisites of Latin American trade thus made accessible in clear and compact form, American merchants and manufacturers can no longer complain if they fail because of ignorance of the conditions upon which the expansion of that trade depends.

*University of Pennsylvania,
June 20, 1916.*

L. S. ROWE.

PREFACE

For a long time the author has felt the need of a book which would deal adequately with the subject of exporting to Latin America and provide for the business man a complete and concise analysis of Latin American trade and a guide to the best means of obtaining it.

The literature attempting to deal with this question has been of a haphazard character, full of generalities and lacking in the succinct treatment so necessary to a thorough understanding of Latin American trade problems.

The contents of this book will be easily grasped, even by the hastiest reader, because of the titles to paragraphs based on the principle of the newspaper headline.

This volume is written from the business man's standpoint and everything that smacked of the purely academic has been avoided, in order that the book may be thoroughly practical. It should prove of particular value to commercial travelers, students of export problems, government officials, officers of export associations and many other groups interested in export trade besides merchants and manufacturers.

In the Appendix are included lists of books useful in the study of Latin American trade from the general and technical standpoints. The lists of technical dictionaries, aids to correspondence, grammars, readers, etc., should be of interest to the student of Spanish and Portuguese. Statistics and other data have been presented in the most succinct and logical fashion to aid the business man in studying Latin American trade possibilities.

The European War forced a complete readjustment of the commercial relations of the Latin American republics and as a

PREFACE

direct consequence vast opportunities were opened to American business men. The extent to which these are taken advantage of will determine the future of North American commerce with Latin America. That this volume will serve to further American interest in the southern trade fields is the hope of the author.

The Author desires to express his thanks to many trade organizations, magazines, and individuals for the information furnished during the preparation of this volume. He is especially grateful to the staffs of the Pan-American Union and the Bureau of Foreign and Domestic Commerce for invaluable aid. Their publications have been freely consulted and many of the books and pamphlets listed in the Appendix have likewise been drawn upon for facts. The author regrets that because of the wide range of the book an individual acknowledgment in every case is impossible.

ERNST B. FILSINGER

ST. LOUIS, MISSOURI

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EXPORTING TO
LATIN AMERICA

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CHAPTER I

ANALYSIS OF COMMERCE WITH LATIN AMERICA. BUSINESS CONDITIONS AND TRADE OPPORTUNITIES. OUTLOOK FOR THE FUTURE

Introduction.—Within the last decade there has developed an extraordinary interest in Latin American trade. Until very recently the export business of the United States was subordinated to the domestic commerce incidental to the exploitation of the resources of this country, but a marked change has occurred. Students of American political economy have frequently pointed out the necessity of trade development with foreign countries so that there may be in existence, when needed, markets to absorb the surplus manufactures, in order to maintain a credit balance of trade for the welfare of the nation. However, the chief reason for the unusual interest in the Southern trade fields must be sought elsewhere.

The Agitation for Foreign Trade.—For years there has been constant agitation by newspapers, export journals, individuals, and organizations interested in fostering the growth of North American commerce with Latin America primarily from the standpoint of gain, and they have cited the innumerable advantages that would redound to the benefit of the United States by controlling the vast commerce of the Latin American republics. The success achieved by a number of far-seeing American corporations and export houses, which have established a large business in Latin America because of their persistent, intelligent, individual efforts, was often referred to. The construction of the Panama Canal

also served to stimulate interest, but a climax was reached when the European War profoundly affected commercial conditions in the Latin American states.

The Influence of the European War.—The business relations which had existed for a long period between the importers of the Latin American republics and their European connections were interrupted, and as far as Germany and certain portions of Belgium were concerned, ceased entirely. The markets for the products of Latin America in European countries were adversely affected; banking arrangements in many instances were rudely terminated, and for a considerable period chaos reigned in the business world of Latin America. This condition of affairs served to focus the attention of the United States on the great possibilities of the Southern trade fields, and although economic conditions did not justify the expectation of immediate profits, the opportunities, when conditions should again become normal, were quickly foreseen.

What Latin America Embraces.—Latin America includes the twenty republics of Mexico, Cuba, Santo Domingo, Haiti, Guatemala, Honduras, Salvador, Nicaragua, Costa Rica, Panama, Colombia, Ecuador, Peru, Bolivia, Chile, Argentina, Paraguay, Uruguay, Brazil and Venezuela. The term "Latin America" does not include Porto Rico, a territory of the United States, nor the Guianas (French, English and Dutch possessions), nor British Honduras.

Area of Latin America.—The area of the countries which are included in Latin America is approximately 8,700,000 square miles. This is two and one-third times that of the United States, not including Alaska and the Insular possessions. The population, according to the latest reports, is 50,000,000. Of the twenty republics, one of them alone, Brazil, has an area of 3,500,000 square miles, being equal to the area of the continental United States, excluding Alaska, with the area of twenty-five states the size of Delaware added to this.

Physical Characteristics.—If the student of Latin America will examine a geographical globe he will be struck by the fact that South America might with great propriety be called Southeast America. The easterly range of the Western Continent is so great that more than three-quarters of the western coast of South

America lies to the east of New York City. South America and Africa are in closer proximity than New Orleans and the northern coast of South America. These facts have an important bearing on commerce. A further index to trade possibilities of Latin American countries is found in their physical characteristics. From Mexico to Chile, the countries are traversed by mountain ranges. In South America these are the Andes, some of whose peaks reach an altitude of over 20,000 feet. There are great plateau regions lying at varying altitudes from 5,000 to 10,000 feet. The great rivers, such as the Amazon, Orinoco, and Magdalena, with their confluent, provide commercial highways from the ocean to important centers of trade inland, often inaccessible to railroads. There are numerous fertile valleys, arid deserts, low sandy coastal regions, and regions of eternal snow. On the western coast of South America the Antarctic current exerts an important influence on the climate, cooling the air within 100 or 200 miles of the equator. In the chapter devoted to a consideration of the individual countries, the physical characteristics peculiar to each will be elaborated.

Great Variety of Climate.—Within the vast Latin American territory there are climates far more varied than, yet not so variable as, in the United States. The various regions may be divided into four zones: (1) the *tierras calientes* or the hot lowlands; (2) the *tierras templadas* or temperate regions of the plateaus and valleys of the uplands with almost continuous spring; (3) the *tierras frias*, or colder regions, such as the fertile plateau of Quito in Ecuador at an elevation of 9,300 feet; (4) the *tierras nevadas* or regions of perpetual snow. The climate, even in the countries immediately at the equator, in general is healthful, as the sea winds temper the heat. The rainfall varies greatly, but in the tropical lowland regions is very heavy. The southern portions of Argentina and Chile possess a climate which is identical with that of the northern latitudes of the United States, the most severe cold being felt during the months which constitute the North American summer. The effect of altitude on climate is of extraordinary importance and must always be considered by the student of Latin American trade opportunities. The failure to realize that many important cities of the Southern countries are located on plateaus or among mountains accounts for the non-

success of many American firms in the Latin American trade fields.

Resources of Latin America.—Because of the physical configuration and the wide range of climates, the resources of Latin America are phenomenal. The chief source of wealth is agriculture and the products of the tropical, semitropical and temperate zones are all found in great abundance. Sugar, tobacco, coffee, cacao, rubber, fruits, fibers and medicinal plants are the principal tropical products. Of the products of the temperate regions, corn, cereals (mainly wheat), and all sorts of fruits and vegetables common to the same climate of the United States are grown. The great expanses and grassy plains provide food for herds of live stock, with a consequent great wealth in hides, meat, bones, and other animal products. The forests of Latin America, in most places, are as undeveloped as at the time of the discovery of America. Their riches of rubber, dye woods, hardwoods and every variety of timber suitable for construction, will be an important contribution to the wealth of Latin America in the years to come. The mineral deposits are inconceivably great. Almost every kind of metal is mined, gold, silver and copper predominating, although vast deposits of coal are being steadily uncovered; and their importance in the future development of industrial Latin America cannot be overestimated. The nitrates, alone, of Chile form the chief basis of the wealth of that republic, while the diamond mines of Brazil and the emerald mines of Colombia may also be cited. Sources of enormous latent power that only need development are found in the great waterfalls and the rapidly flowing rivers. The outlook for the future commercial development seems boundless.

Mines and Minerals.—One of the chief sources of Latin American wealth is mining, this having been the first activity engaged in by the Spaniards who discovered South America. Since they began their workings, great quantities of metal have been taken from the mines of Peru, Bolivia, Chile, Colombia, Mexico, and other countries. Vast as was this output, the deposits have scarcely been touched, and untold millions still await modern methods and machinery. It requires but little imagination to realize what effect the development of this great industry will have on the imports of the United States. The operations incidental to the

development of the mines offer opportunities for the sale of American manufactures in the shape of machinery and tools, and, above all, for the employment of skilled and trained Americans. Railroad and construction work in general also will necessitate the importation of American manufactures of all sorts.

Importance of Agriculture.—The interest of the American manufacturer and exporter in the agriculture of Latin America is easily understood. In many agricultural districts the implements used are still of the most primitive character. With the increase of wealth and wider use of educational facilities will come an increased demand for machinery, implements, and tools of every sort suitable for the cultivation of agricultural products. It is almost impossible to appreciate the enormous wealth which will follow the use of modern intensive methods and highly specialized implements by the people of regions so favored by nature. There are farming regions where the breaking of the ground with a plow is but rarely seen, and where the natives have been unable, because of their poverty, to take advantage of modern methods. However, rapid progress, when one considers the conservative nature of the inhabitants, has been made during the last two decades in introducing newer methods, tools, and implements. The only limit to the development of trade in this direction is the individual effort of the American manufacturer to demonstrate the utility and value of machinery and implements.

Opportunities in Forestry.—Vast acres of land, suitable for agriculture, still remain on which the clearing must be done. Until now this has been accomplished by old-fashioned methods of the most primitive sort. In the future this will be done by modern methods, and in the meantime there is great need for machinery, tools and implements used in the timber and lumber business.

General Conditions in Latin America.—The Latin American republics offer many startling contrasts. The advances that have been made in all branches of endeavor have been notable, but it may be stated without exaggeration that they are insignificant in comparison to the development that will take place during the next fifty years. Although there are many great capitals with enormous wealth and a high degree of culture and civilization comparable to that of the best of Europe or America, there are, on the other hand, regions where conditions are still of the

most primitive. In considering the possibilities of United States trade expansion with Latin America, it is necessary to reckon with several factors. The most important are: increase of population, increase of wealth, and influence of capital investment. The increase of wealth has been little short of marvelous. The increase of population, however, has not kept apace. The investment of foreign capital has unquestionably been followed by an enormous growth in the business of those nations that made these investments. A discussion of these factors will follow later. Perhaps the most important item in considering the future of Latin America is the increase of wealth. The student will be struck by the very large percentage of the peasant or peon class. This portion of the population possesses an extremely limited purchasing power, because of its poverty. In the most advanced of the Latin American republics, educational facilities are being supplied at an extremely rapid rate, and it is easy to foresee that this policy will result in the establishment of new standards of living. As a direct result of education will come increased wages, followed by greater purchasing power. In this connection it is interesting to contrast a few examples. In Costa Rica the imports per capita in 1914 were \$21.13. Costa Rica is one of the most advanced of the Central American countries, with a very high degree of development and percentage of literacy. On the other hand, the Republic of Guatemala with a population of 2,120,000, had a per capita trade of only \$4.75. Although the population is much larger than that of Costa Rica, its peasant population with extremely limited buying power is so large that the business per capita is much reduced.

Capital Investment Increases Business.—In analyzing the business of the Latin American republics with foreign countries, one is quickly impressed with the fact that trade follows capital investment. The countries whose capitalists have made the heaviest investments in Latin America enjoy a trade in relative proportion to such investments. According to the most competent authorities a conservative estimate of the amount of capital of citizens of the United States invested in Latin America is in the neighborhood of \$1,725,450,000. Of this great sum \$750,000,000 is invested in Mexico, \$150,000,000 in Brazil, \$40,000,000 in Argentina, \$35,000,000 in Peru, and \$40,000,000 in Central America. The

rest is distributed in other republics in smaller amounts. If these figures are analyzed and contrasted with the investments of any foreign country—for instance, Great Britain—it will be seen that the countries in which Great Britain's investments preponderate show larger importations from Great Britain. The private interests of Great Britain in Argentina represent \$2,000,000,000, in Brazil \$1,200,000,000, in Uruguay \$250,000,000, in Chile \$320,000,000. These figures are significant inasmuch as they demonstrate that with the growth of North American investments in the Latin American republics will come an increased demand for American manufactures, and the alert business man who prepares to take advantage of these opportunities will reap the benefit.

Building for the Future.—The merchant or manufacturer who interests himself in Latin American trade does so because of possibilities for gain. He is not interested in an academic discussion of economic laws. One of the fundamentals in considering such trade extensions is the possibilities of the Southern countries in the years to come. It requires but little imagination to realize that the vast resources of Latin America have scarcely been touched, and that there is practically no limit to the opportunities there. The development of the immense resources of Latin America will make that field a most promising market for the manufacturing nations of the world, particularly the United States. For an indefinite period the people of the southern republics will continue to import manufactured products as the countries are essentially agricultural and, with the exception of Argentina, Brazil and Chile, are nonindustrial. In the last three countries, where manufacturing is already being done, it may eventually assume some importance because of deposits of iron ore, water power, and, in the case of Chile, coal. Meanwhile, these republics afford excellent fields for American enterprise. The wise business man who contemplates a Latin American business is he who builds for the future. He does not solely consider in his calculations the question of profit for one or two years, but has in mind the establishment of a business which shall maintain a healthy growth in proportion to the increasing buying power of Latin America.

How to Realize the Possibilities.—Opportunities for trade extension in Latin America have already been touched upon. The

possibility for realizing them depends solely on intelligent, persistent, individual effort. The great commerce of England, Germany, and France has not resulted from what the governments did, but is mainly the achievement of private enterprise. While many Latin American buyers are somewhat influenced by nationality, they are not, as a rule, affected by the origin of the product they import. They are swayed solely by the influences which determine successful merchandising in the United States. The necessities of the American manufacturers who wish to do business with Latin America are: (1) An absolute understanding of the requirements of the market it is proposed to enter. This is accomplished by analysis, self-education, study, and investigation; (2) an intelligent, systematic, persistent effort to extend business with the importer, based on principles which will make for permanent trade; (3) to observe the utmost accuracy, and devote the greatest possible attention to detail in every phase of trade relations.

Much Criticism Unmerited.—In the discussion of trade opportunities in Latin America, the custom of criticizing American firms is very common, and while in the past there has been reason for certain criticism, the improvements have been continuous and marked. It is unfair to make a general condemnation of American export methods. Commercial practices of representative North Americans who deal with Latin America are in every way equal to those of their European competitors. Manufacturers who have earnestly sought to increase their trade with Latin America have been ready and anxious to conform to all requirements. There is not the slightest doubt that Americans who determine to win Latin American trade can accomplish this as easily as have their European competitors or the pioneers of the United States who have been so successful in this field.

Countries Grouped According to Business Methods.—It has been stated that analysis and investigation are indispensable to an understanding of conditions that prevail in Latin America. For the convenience of business men, students, and those interested in the commerce of Latin America, a rough grouping of the countries may be helpful. This is an entirely arbitrary arrangement but will lend itself to an easier analysis of trade conditions, and will be found useful in considering the export problem. The countries

are placed in six groups,¹ based on general political conditions, organization of banking systems, and advancement along commercial lines in general.

Group 1. Cuba, Mexico, Panama, Porto Rico. It is important to note that Porto Rico is not a Latin American country, being a territory of the United States. However, the business conditions in Porto Rico are identical with those of Cuba and Mexico, and may therefore be properly considered in that connection.

Group 2. Haiti and Santo Domingo.

Group 3. Northern South America: Colombia, Venezuela and Ecuador.

Group 4. Western South America: Chile, Peru and Bolivia.

Group 5. Eastern South America: Argentine Republic, Brazil, Paraguay and Uruguay.

Group 6. Central America: Costa Rica, Guatemala, Honduras, Nicaragua, Salvador.

Conditions in Group 1.—In Cuba and Panama there is, to all practical purposes, complete self-government and established political order. This is also true of Mexico when the country is not disrupted by political strife. In these countries American capitalists have made their greatest investments, including railways, mines, plantations, sugar mills, street railways, water power enterprises, etc. The banking business is highly developed as many American banks have extremely close connections with the banks of these countries, and there are many banking institutions which were established by Americans, and naturally assist American enterprises.

Business is done practically as in the United States, upon open credit. The American manufacturer is accustomed to deal direct with the importer. Because of the fact that shipments are made on open account it not infrequently happens that many perfectly responsible concerns are somewhat tardy in meeting their obligations. With them the factor of time is a very important consideration, as it is in many agricultural districts of the United States. Credit conditions in Cuba are on the whole very good, but, as

¹These groups are similar to those suggested by W. C. Downs in the *Quarterly Journal of Economics*. The Author has, however, made a slight rearrangement.

everywhere, all applicants for credit should be carefully investigated. In Mexico, because of the recent political disturbances, unusual care must be exercised. In Porto Rico there are many responsible firms, but because of the very rapid development of the business in that island, caution is advisable. In Panama conditions are practically the same as in Porto Rico.

Conditions in Group 2.—Within the past few years there has been a notable change in the countries of Haiti and Santo Domingo. While these republics in the past have had very unstable political conditions, the establishment of what is in reality a protectorate of the United States over Santo Domingo has resulted in a considerable improvement. The custom of selling direct to the importers of these countries is rapidly growing, although business relations formerly were on basis of barter, or an exchange of products for the manufactures of the United States. In the past the importer and exporter have generally been the same person, but, latterly, specializing is leading to the establishment of a greater number of stores and shops devoted to specific lines of merchandise. The banking conditions are likewise improving, and the investment of American capital is proving beneficial to American trade.

Conditions in Group 3.—Unlike Haiti and Santo Domingo, the republics of northern South America have not been so strongly under the American influence. The conditions in these republics, therefore, are somewhat dissimilar. The small number of banks in the republics is very noticeable and trading, therefore, takes the place of banking, particularly in the more remote places, where business is conducted on the basis of barter. In this field, the New York export houses play an important rôle, inasmuch as they accept the products of these countries and also extend credit when shipping merchandise.

Political conditions, while improving, have not yet reached the high level of those which obtain in the countries represented by Group 5.

Conditions in Group 4.—The republics of Chile, Peru, and Bolivia in the western part of South America have made noticeable progress as a whole, and commercial conditions are greatly in advance of those in the countries just described. Especially is this true of the republic of Chile, which might properly be included

in the same category with the Argentine Republic and Brazil. These countries possess well organized banking systems which represent both foreign and local capital. All of these banks, no matter what nationality, French, German, or English, have correspondents in New York, through whom their business is transacted. The foreign banks have a particularly strong representation and the heavy investment of European capital has resulted in a preponderance of trade with European nations. Commercial practices generally are far in advance of those in Groups 2 and 3.

Conditions in Group 5.—The countries making up this group, Argentine Republic, Brazil, Paraguay, and Uruguay, represent the very highest development of commercial enterprise. In these republics there is a very extensive international banking system which greatly influences business methods. Specializing is commonly practiced, and the importer is very seldom an exporter. The merchants and manufacturers are in direct touch with the markets of the world, and by cable follow the fluctuations of commodity costs. It is in these republics that direct trade relations, when properly managed, can be productive of greatest results. The political conditions in this group are about identical with those in Group 1.

Conditions in Group 6.—In the republics of Central America business conditions are somewhat different from those in the countries in Groups 1 and 2. In several of these republics, notably Costa Rica and Salvador, there is a highly developed banking system and excellent machinery for exchange. To a lesser degree is this true of Guatemala. In Nicaragua and Honduras the conditions are similar to those of Group 3. In Costa Rica business is carried on more as in Cuba or Mexico and specializing is highly developed. Its political stability is also permanent. The other republics which have been less stable from the political standpoint are not so highly developed, and business conditions are rather more backward. Particularly is this so on the eastern coast of Nicaragua and Honduras, where the importer carries on a trading business, buying the products of his clients in the interior, to whom he forwards shipments of merchandise. In the capitals of these republics trading is more highly specialized and business generally is done on open account although with the merchants

in some of the republics transactions are still made against acceptances. In this field, on account of proximity, the business houses of New Orleans wield a greater influence than the New York export commercial firms.

Another Economic Arrangement.—Another outline for a division of South America (suggested by Wm. H. Lough) is the Amazon Basin comprising Northern Brazil, and the eastern part of Peru and Bolivia; the River Plata Basin including Southern Brazil and Argentine; the West Coast region beyond the Andes; and the North Coast comprising Colombia and Venezuela. Because of the peculiar characteristics of each of these trade fields, they should be separately considered.

The Importance of Analysis.—In order to form an adequate idea of the possibilities of Latin American trade, it is indispensable to analyze the importations. Statistics, while generally looked upon as very dull and uninteresting, are in reality an important factor. They should be studied not only by those already engaged in the export business as a key to what is being done by competitors, but particularly by those who desire to obtain an idea of the possibilities of these countries for the sale of their products. The manufacturer seeking a Latin American market should not content himself merely with an examination of the imports of a given country from the United States, but should know what is being sold to that republic by competitive nations. He should likewise determine the exports per capita of a country in which he is interested. Not only should he analyze the statistics of his particular manufactures but of business generally. Such an analysis will aid materially to obtain a better knowledge of the opportunities in a particular country.

Details of the Commerce.—The details of the commerce between the United States and the Latin American republics will be found of great value in studying Latin American trade problems. Interesting tables are given on page 529 of the Appendix.

The Percentage of Imports From United States.—The United States today supplies 38 per cent. of the imports of Latin America and takes 39 per cent. of the exports. To the remainder of the world the United States supplies about 14 per cent. of its imports and takes only 7 per cent. of the exports. The percentage of the growth of United States exports to Latin America was

equaled by those of Great Britain, and the percentage of Germany's growth in that trade, until the outbreak of the European War, was also as great as that of the United States.

The Relation of Proximity to Imports.—One of the striking facts that must be remembered in connection with the imports of Latin America is that the United States supplies from 30 per cent. to 60 per cent. of the imports of the republics which are nearer to this country than to Europe, that is to say, Mexico, Central America, the West Indies and the northern countries of South America. Those countries which are as near to Europe as the United States namely, Brazil, Uruguay, Paraguay, Argentina and the West Coast, take from 10 per cent. to 20 per cent.

CHAPTER II

HOW TO STUDY THE LATIN AMERICAN TRADE PROBLEM

Introduction.—Although an interest in the development of business with Latin America has been growing for some years, the European War stimulated manufacturers and merchants of the United States to extend their trade with Mexico, Central America, Cuba, Porto Rico, the West Indies, and South America. Interest in this trade is being manifested not only by houses that are for the first time taking up the matter of extending their activities to foreign fields in a systematic manner, but particularly by those firms who have already been actively engaged in exporting. Of the latter class many houses realize that this branch of their business is still short of what it should be and feel that their present efforts are not meeting with the success that they deserve; but they are convinced that their sales, with proper effort, could be materially increased.

Scientific Study Necessary.—The situation created by the European War brought business men to the realization that a successful export business is not to be created overnight and that in order to develop it, carefully evolved plans must be put into action. Such plans cannot be made without much serious study, not only of the conditions prevailing in Latin America, but of the merchant's own business in relation to them. If this plan had been adopted by merchants in the past, much of their prejudice against export trade could have been avoided.

A Penurious Policy Shortsighted.—The attitude of many business men toward this question is difficult to understand. Innumerable instances may be cited of executives, otherwise broad-minded and liberal, who, in creating a domestic demand for their products, display great imagination but refuse to authorize expenditures for the investigation of the Latin American field. When a haphazard or slipshod attempt to do business there is made, the result is disastrous.

Development of Domestic Business Expensive.—In order to develop a business in the home market, it is necessary to expend sums ranging from insignificant amounts to many thousands of dollars before the business becomes profitable. On the other hand, heads of concerns, who would not have taken any decisive step involving great expense in this country without deliberate consideration, are willing to send their representatives to the Latin American republics wholly unprepared and with no knowledge whatever of conditions. In the future the most successful houses will be those whose departments of Latin American trade investigation are the best organized, and who, before any salesmen are sent, will thoroughly study the situation.

Specific Information Indispensable.—The prime need of students of the Latin American trade field is specific facts. There is no other commercial topic about which there have been offered so many useless suggestions, glittering generalities, and valueless hints.

A Knowledge of Latin America.—Naturally the first requisite to an understanding of the possibilities of Latin America is an acquaintance with the geographical conditions of the prospective field. No attempt to develop a trade with Latin America should be made without a thorough study of the physical conditions which prevail there, its people, trade, etc., and besides this a knowledge of the distances, the means of transportation, of the ports, the strategic business points, etc. These facts can easily be learned by a thorough study of the countries in which it is proposed to develop trade.

Using the Encyclopedia and Gazetteer.—In every public library may be found the latest encyclopedias, gazetteers, etc. The purchase of a dependable atlas and the study of a good commercial geography may be strongly recommended in addition to reading books of travel; works relating to the individual countries will also be found very helpful. On pages 472-473 of the Appendix will be found lists of leading books of this character.

The statistics and other information concerning the individual countries, as they are published yearly in the "Statesman's Year Book" will also prove valuable and make for the scientific efficiency so necessary to a thorough mastery of foreign trade problems. Other volumes which may be recommended are the "South Amer-

ican Year Book," the "Argentine Year Book," the "Brazilian Year Book," etc. The statistics are adequate and much additional information is available in these publications, which are usually found in public libraries.

The Factor of Adaptability to Latin American Demand.—In considering the possibility of an export business and in order to determine what should be studied, the business man should put to himself the following questions:

1. Which items among our products can be exported to Latin America?

2. Can they be marketed in all the Latin American countries or only in certain ones?

3. Are they adapted to the needs and requirements of all sections of a country, or only to a certain limited field therein?

4. Can they be sold just as they are now made, or are certain changes necessary in shape, size and appearance? If changes are essential, can we make them?

5. Are the labels, finish, color and other details the most appropriate for the market?

6. To what classes of the population can they be sold?

7. If no demand already exists, can one be created? In that case what is the best method to pursue?

8. Will our product compete successfully with foreign products of a similar character?

9. How do the tariffs in the Latin American republics affect the sale of our product? Has the European manufacturer any advantage in this respect? If so, how can it be overcome, and what means must be taken to meet any peculiar tariff restrictions?

10. Does the matter of freight or transportation charges affect the possibilities of sales?

11. Are there any local conditions which would make it impossible to place our product in certain countries or districts? In that case, what are these?

12. What is the most desirable field in which to make a start?

In considering the foregoing questions, the manufacturer will have a foundation on which to base his study of the export situation, and of the adaptability of his goods to the foreign markets.

Other Factors to be Considered.—The ability of a merchant to

create an export business is dependent upon important factors other than a careful study of the problems suggested in the preceding paragraphs. These factors are of equal importance and should have careful thought. The earnest business man who believes himself in a position to export to Latin America must determine where to make a start. Latin America is such a vast field and the difficulties of properly effecting sales to all parts of it are so great that it is highly desirable, in making a beginning, to enter a field which offers the least amount of difficulty. How then can this be determined? Only careful study and a consideration of all details will enable the beginner with no expert knowledge to decide where his efforts will be productive of results in the shortest possible time. Certain conditions affect this just as they do domestic trade and may be outlined roughly as follows:

1. Proximity of the territory.
2. Size of the field.
3. Desirability of the trade.
4. Methods of doing business.
5. Terms to be extended.
6. Competition to be met.
7. Immediate prospects and future possibilities.
8. Capital of the exporter.
9. Organization.
10. Sales methods.
11. Attention to documents and details.

The Advantage of Proximity.—The question of distance is always an important factor, for a country with which correspondence can be conducted with the minimum expenditure and time offers, naturally, certain advantages. Proximity, however, should not decide this question, for the reason that some of the most attractive trade fields are located at a distance. The beginner, however, would have certain advantages in making a start in the republics of Mexico or Cuba, provided that after investigation and study either of these fields seems to offer possibilities as attractive as those of Uruguay or Chile.

The Size of the Field.—The geographical size of a country should not influence a prospective exporter as to its possibilities. Many products, because of their nature, would have a much larger sale in a smaller than a larger country.

Desirability in Relation to Cost.—The desirability of a market is dependent upon two factors: (1) the largest possible volume of business at minimum expense; and (2) the rapidity with which the business may be secured.

These can be determined only by a careful analysis of the general business being transacted, its relation to the population, the volume of exports of similar or the same articles, the general prosperity of the people—in fact, by the same rules as those governing domestic trade.

Methods of Doing Business.—The business man must determine the most advantageous methods of making sales in Latin America. This naturally includes a consideration of direct sales or agency arrangements in relation to payments. Under certain conditions it may prove more desirable to deal with a general importer who undertakes distribution and is responsible to the manufacturer for all shipments, than to sell on credit to individual small buyers. Export commission houses where maximum sales and efficient representation can be assured may likewise prove the logical means for certain fields. Exportation direct to individual merchants may, in other countries, offer the greatest opportunities.

Terms to be Extended.—An important factor in export business is the subject of terms. To the beginner it would be preferable to sell his merchandise direct to responsible merchants on terms averaging sixty days (which could be done in Cuba or Mexico), in preference to marketing them even through an agency in the Republic of Colombia on terms of four to six months. In this case, again, proximity is an important factor, for on account of the shorter distance to Cuba and Mexico less time is expected by the dealer. Generally speaking, Latin American merchants desire time for making payments, and this is not due wholly to lack of capital, but because of the various methods of doing business.

Character of Possible Competition.—The question of competition, both American and foreign, is one that invariably presents itself to the thoughtful business man who wishes to extend his trade. It is only when he is acquainted with these conditions that he can properly prepare his samples, establish his prices, and definitely fix his terms. There are fields in Latin America in which the shipper of certain products would find competition less keen than in others. In a country which is developing rapidly as

is Latin America a virgin territory may be the one to approach. On the other hand, it will be frequently found that because of the educational work that has been done in older fields by those who have already introduced certain articles, sales can be made much more easily. The fact, therefore, that merchants of his own country as well as representatives of European houses are in active competition, should not deter an American merchant from attempting to gain a foothold in a warmly contested field.

Eventual Profits Outweigh Immediate Success.—The farsseeing business man, accustomed to look upon expenditures in the development of his business not as a dead expense but as an investment, will take into serious account not only the immediate prospects in a given territory, but more particularly its future possibilities. It is a recognized fact in foreign markets that much missionary introductory work must be done. As this is a condition faced daily in the domestic field it should not frighten the manufacturer who seeks foreign business. A country which apparently does not offer brilliant immediate prospects may, nevertheless, because of the character of the work to be done therein by competent representatives, afford the finest possibilities for the future. This serious question can most easily be determined by deciding what shall be the policy of the manufacturer in Latin American business. If a conscientious and earnest effort is made, and if it is decided to establish a business on a firm foundation by intelligent work, then the prospects of large immediate sales may well be put aside in the knowledge that the future is full of promise.

Capital of the Exporter.—The necessity for the outlay, by the importer, of large sums of money for duty, etc., makes the goods worth far more than the amount of the invoice. In certain countries where parity of exchange has not been established by law, serious fluctuations occur in the value of the currency with possibilities of great loss. The careful Latin American buyer, knowing of this condition, endeavors to protect himself by every possible means. He desires, for the purpose of maintaining his credit standing, to have the matter of terms definitely agreed upon beforehand, that he may have a sufficient margin of time in which to take advantage of favorable fluctuations for payment. The manufacturer who is considering doing an export trade must

study his finances carefully to determine that he is possessed of a sufficient capital properly to care for the the needs of his business. Many commercial houses who are accustomed to do a domestic business and seek trade abroad fail to remember that a larger capital is required for the export trade than for the home market. This is due to the following causes:

- (1) Outlay for development work or experimental campaigns.
- (2) Time consumed in awaiting returns from shipments.
- (3) Special requirements necessitating additional expenditures for machinery, stock, material, etc.
- (4) Carrying on hand a stock of special styles for the Latin American trade.

A house that is successful in building an export business and allows it to absorb too much of its capital may soon find itself overextended. This may happen more quickly than can be realized. The returns from shipments as a result of liberal credits will not be received quickly enough or as soon as expected. The result may be an impairment of credit. Houses which have sufficient capital for domestic business and may be succeeding very well need to consider carefully if it is possible to finance an extra volume of business. However, exporters who are able to discount their drafts can help themselves materially. This is considered in Chapter XIII. As a rule, an export business develops slowly and can generally be financed as it grows.

The Importance of Efficient Organization.—This is a factor overlooked by many concerns seeking to extend their foreign business. By “organization” is meant the ability of the working force of the manufacturer properly to care for foreign trade. It also involves the question of appropriate machinery, tools, or instruments to fulfill export requirements. It likewise takes into account the nonsuccess of many attempts at export business because of failure to delegate the matter to the exclusive attention of one person. Orders that have been the result of great effort have been handled in the ordinary manner in which domestic business is attended to, with consequent disastrous results. A prime requisite of an export business is the appointment of one particular member of the organization to have full authority on matters pertaining thereto. In this way responsibility may be definitely fixed. Such an individual, usually known as the manager of the foreign department,

should be required to study the foreign trade situation and should be held accountable for all details.

Organization of an Export Department.—The American houses which have been most successful in Latin America have found it necessary to place the direction of this branch of their business in the hands of one individual. As will be noted in later chapters, the development of Latin American business is usually a slow process and, as a rule, its care will not require the exclusive attention of one person. If it can be arranged that an executive direct it, it will be desirable to do so. In any event there are so many details which require attention in connection with foreign trade development that the greatest efficiency is assured only by definitely placing the responsibility.

Export Department Heads.—In many instances those who direct the export business for large companies have been developed within the organization. This is a matter which the individual manufacturer must decide.* Often an employee, who applies himself definitely to a study of Latin American trade problems, will prove far more efficient because of his knowledge of the business than one who is engaged because of his acquaintance with Latin American trade. On the other hand, the services of men experienced in Latin America, who have traveled there, or who have been in the employ of other exporting concerns, may enable the manufacturer who had not previously studied the situation to build up more quickly and economically a business in the new field. The usual methods of obtaining efficient employees may be recommended. Advertisements in New York dailies setting forth the requirements will usually bring many answers. The salaries of the managers of foreign departments naturally vary, but the far-sighted manufacturer will not expect much efficiency from a Spanish-speaking Latin American whose only recommendation is a slight knowledge of the foreign tongue. Because of the many pitfalls, the very highest type of employee should be called upon to develop export trade. Such a position calls for intelligence and imagination, and these as well as the other qualities merit recognition in a material way.

Coöperative Managers.—The possibility of several manufacturers agreeing to develop export business by prorating the expenses will be alluded to later. Such arrangements not only apply to the

employment of salesmen but likewise to the direction of the Latin American business in general. A manufacturer may find it advantageous, because of the limited sale of his product, to place his business in the hands of a coöperative manager, and only individual conditions can determine whether this is the best policy. In any event, the manufacturer should satisfy himself, as in the case of export houses, local agents, and traveling salesmen, that his business is being properly cared for. Under no circumstances should the sole fact of inexpensiveness induce him to accept the services of an export manager. The same precautions may be urged in this matter as in the case of other foreign trade arrangements.

Obtaining Maximum Efficiency.—The business man must assure himself that his coöperative manager, no matter whether his salary is \$20. per month or \$20. per day, is not burdened with too many representations; that he is able to give full attention to the up-building of his business in all territories; that the local agents or traveling men are properly directed, etc. There are many highly efficient export managers whose services may be obtained in the manner already indicated. Naturally a group of business men in allied lines can more easily and inexpensively obtain the services of a highly efficient export manager by coöperation, than by individually engaging their own managers.

Careful Superintendence Necessary.—In foreign trade, as in almost no other branch of commerce, it is essential to take nothing for granted. For that reason the executive of a business establishment should himself study Latin American trade problems in order that he may intelligently direct the work of either his individual manager or the coöperative manager. Every principle of efficiency makes this highly essential.

System Indispensable.—No matter whether the organization of a foreign department calls for the services of an individual or of a coöperative manager, a definite system must be observed. The head of the foreign department must be kept fully advised of all developments and to him must be sent all letters, instructions, correspondence, etc. One of the frequent causes of non-success in the development of Latin American trade lies in the failure definitely to place responsibility, and in treating orders from other countries in the same manner as those from the United States.

The Importance of the Sales Force.—The ultimate success of any attempt in the Latin American field naturally depends upon this factor. Unless the merchant, after a consideration of all questions, can determine at the outset that a successful sales force can be recruited or a proper and efficient method of effecting sales can be found, failure is inevitable, and no attempt should be made at export business. Only losses result from haphazard effort in Latin American trade.

Attention to Details Indispensable.—Unless all documents in connection with Latin American trade are carefully prepared and properly handled, heavy losses will be incurred. In Chapter XI the reasons for this are fully explained. A manufacturer who determines to solicit export business must not overlook this—one of the elementary facts making for success or failure in Latin American business. A willingness to take pains and make a proper effort to learn the requirements of foreign countries is necessary.

Determining What Can be Exported.—This is a most important question which must be determined at the outset. The business man must ask himself these questions: If an effort is made, are there among our products any items which can be sold for export? If we make an effort to sell them in Latin America, is there a reasonable hope for success? Are we definitely sure that there is a possibility of obtaining sufficient orders eventually to make the business profitable? The reason for this is apparent. Articles, machines, etc., in daily or ordinary use in the United States, because of varied conditions would find no sale in certain Latin American countries.

Adaptability of Product.—It frequently happens that manufactures, which have a wide demand in certain of the Latin American countries, in others could not possibly find a market. Trade possibilities in Latin America must be analyzed in the same manner as in the United States. Such factors as altitude, latitude, effect of ocean currents, mountains, etc., should be carefully considered. Snow plows would be useless in Buenos Aires, the capital of the Argentine Republic, but they are absolutely necessary in the western section of that country to clear the railway tracks of snow. Ice skates would find no market in Guayaquil, Ecuador, but in the extreme southern portion of Chile—at Punta Arenas, for instance—the winters are extremely severe, and consequently create a

demand for these. Men's high-cut boots for use in mining camps can be sold in Peru, but would have no demand in the city of Montevideo, Uruguay.

Necessity for Considering Changes.—It is important to consider this question before attempting to export, as shape, size, or other details may make it impossible to do business. Unless changes which may be found necessary can be made, it would be best not to attempt to enter the market. Frequently, the manufacturer, even if willing to adapt himself to the requirements, is unable to market his goods because of inability to readjust his process of manufacture, in which case it is likewise best to spend no money.

The Importance of Labels and Finish.—Where the shape of a package, its labels, the finish of an article, and its general appearance are deciding factors in entering a field, the manufacturer should seek to learn in advance how best to prepare his samples in order to reduce the cost of introductory work. These details in the sale of certain products are of even greater importance than is the case in the United States.

The Question of Class Demands.—In estimating the possibilities for the sale of an article it is not only essential to take into consideration the population of a country, but also the various classes of people from whom the demand will come, as an estimate based on population only may prove very misleading. This is because the percentage of peasant population in almost every country is extremely high, with sales of many articles restricted to the upper classes.

Creating a Demand When Nonexistent.—The fact that there has been no previous business in certain products in a country should not deter the merchant from seriously considering the sale of them. Many of the articles which today enjoy the largest demand have been introduced only as the result of great effort and despite serious obstacles. As in the case of the domestic market, a demand for many manufactures may be created. The question of method should be given serious consideration, and experience in the domestic field should form the basis of a campaign in Latin America. The intelligent business man, after he has carefully studied the possibilities of the Latin American field, will be able to determine the best methods to follow.

Considering Foreign Competition.—Before spending a great deal

of money in attempting the sale of a product in Latin America, the manufacturer should seriously consider whether its sale may be restricted by foreign competition. There are certain lines of manufactures on which the Europeans have been able to offer advantages in price, quality, or other features, and with which the American producers cannot compete. The wise manufacturer should investigate this before authorizing the expenditure of money which might be used to better purpose elsewhere.

How Tariffs Affect Sales.—The effect of tariff is of extreme importance. The first step which the manufacturer should take in considering the possibilities of exporting his product is to ascertain exactly what duty will be charged and to determine whether this will make it possible to compete with local or foreign houses. In many instances American houses have sent salesmen at considerable expense on missionary trips to countries where, had they taken the trouble to inform themselves in advance, they would have found it was utterly useless to attempt business. The importance of the tariff and its effect upon the sale of a product cannot be overestimated. The business man should also undertake to ascertain whether his European competitor enjoys any advantages, and if so by what reason; whether because of packing in a special manner in order to obtain a more favorable custom classification, listing the goods in a particular way to meet peculiar requirements of customs officials, etc.

The Most Desirable Territory.—It is only after a careful analysis of all the factors outlined in the preceding paragraphs that the merchant is able to determine which field offers the best advantages. Where one country seems to hold forth great possibilities because of low tariff it may be adversely affected by peculiar local conditions or inaccessibility, and the reverse may be the case with a country which is closer to the place of production. The most minute study and analysis must determine the course which the manufacturer should pursue. Too much stress cannot be laid upon the advisability of such study.

Means of Obtaining Information.—The manufacturer who desires to study the possibilities for the sale of his product in Latin America can obtain from many sources the necessary information on which to base a decision as to the best methods to pursue. Below are outlined some of the means of learning the facts:

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1. *Branch Offices of the Department of Commerce.* In the cities of New York, Chicago, Boston, New Orleans, San Francisco, Atlanta, St. Louis, Seattle, etc., are located branch offices of the Department of Commerce.¹ In charge of these offices are representatives of the Department who, upon application, will give the information which may be on file regarding the sale of a particular product in each of the Latin American countries. The agents, upon application, will write to the office at Washington for such additional facts as may be desired and will coöperate in every possible way to obtain such data as may be needed.

2. *The Department of Commerce, Washington, D. C.* Merchants may communicate directly with the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, which will gladly submit all data in its files and obtain for the applicant such information as it does not possess. It is preferable to communicate with the nearest branch office of the department.

3. *American Consuls in Latin America.* Letters may be addressed to American Consuls in Latin America, but before doing so, the merchant should write the Department of Commerce at Washington, as the information sought is likely to be in the files of the Department and in that event considerable time may be saved.

4. *Business Organizations.* Membership in certain commercial organizations entitles members to information relative to trade conditions in Latin America. Typical associations of this character are the Philadelphia Commercial Museum, Philadelphia, Pa.; the National Association of Manufacturers, New York; and the Merchant's Association of New York. Numerous commercial clubs and chambers of commerce in various cities are now coöperating with their members in this direction.

5. *Pan-American Union, Washington, D. C.* This is an international organization and supplies information concerning trade opportunities and conditions in the American republics. The work of this organization is described in Chapter XXV.

6. *Export Trade Journals.* As a feature of their service a number of the leading export journals and trade papers supply their advertisers with information desired relative to the possibilities of trade extension with Latin America. The list of export papers is given in the Appendix.

¹For complete list see p 495.

7. *Magazines and Newspapers.* Certain magazines are now aiding their readers doing business with the Southern Republics by answering definite requests for information. A list of such publications will be found in the Appendix.

8. *Banks and Financial Institutions.* In order to stimulate interest in Latin American trade and more efficiently serve its clients the National City Bank of New York, which is establishing branches in the principal Latin American cities, will obtain from its branch offices information desired by American manufacturers relative to trade opportunities when not already on file. Many important and exhaustive reports concerning trade conditions in many lines are on file. A similar service is offered by other American banks which are given the information by their own correspondents in Latin America.

9. *Export Commission Houses.* When not prevented by existing arrangements the New York Export Houses will consider trade arrangements for representing American manufacturers. If they are in a position to undertake an agency they will discuss trade conditions and possibilities. The method of approaching them is discussed in Chapter VI.

10. *Books, Publications, Reports.* Much valuable information regarding trade opportunities in Latin America may be gleaned from the books and publications which deal with this subject in its numerous phases. A list of such publications which will be of great aid in the study of the export problem will be found on pages

Use of Magazines for Study.—There are a number of newspapers, as well as magazines and technical journals, which feature articles relating to Latin American trade. The articles are usually written by recognized authorities and are important contributions to export literature. Among these publications are the following: *The World's Work*; *Modern Methods*; *System*; *Printer's Ink*; *Business*; *Advertising and Selling*; *Frank Leslie's Magazine*; *Christian Science Monitor*. An index to the articles can generally be obtained by addressing the publishers or by consulting "Poole's Index" in public libraries.

Export Effort not Coördinated.—One of the most fruitful sources of information for students of the export problem are the journals devoted to export trade. Although the Bureau of Foreign and

Domestic Commerce at Washington distributes annually many thousands of reports and publications regarding trade opportunities, it takes no account of the valuable treatises on many phases of foreign trade problems which appear in journals devoted exclusively to the upbuilding of the export business of the United States. Unfortunately for the reader there is no adequate coördination of the excellent work being done by the various forces engaged in the upbuilding of American trade. These include: the United States Government through the Bureau of Foreign and Domestic Commerce, its Consuls and Commercial Attachés; the Export and Trade Journals; the work of individual manufacturers; Chambers of Commerce and similar organizations such as the Pan-American Union, the Philadelphia Commercial Museum, the National Association of Manufacturers, etc.; institutions of learning. Because of this lack of coördination, it is essential that the student of export problems obtain from the various sources their best contributions to the general problem.

Export Journals Useful.—The influence of export journals in the development of American business abroad has long been recognized. Generally speaking the journals are very creditable to American industry and well edited. The value of these journals to business men and to students of export questions is threefold: (1) a reading of the editorials makes for a broader outlook in export matters in general; (2) a number of the magazines publish an American supplement which contains valuable information. There are often included addresses, delivered by experienced exporters, on many specific problems relating to foreign trade. The information given by experts in these matters is often invaluable; (3) manufacturers who contemplate advertising campaigns can more intelligently plan their own copy by studying carefully the advertisements of firms known to have been successful in Latin American countries, inasmuch as the advertisements of such firms are based on the practical experience of years, and are invariably planned with the Latin American viewpoint in mind; (4) the student of Latin American business who seeks to increase his knowledge of Spanish and commercial practice will find in the various export papers and journals a vast mine of information. A reading of the articles which are written by Latin Americans will prove valuable practice while a study and analysis of the

advertisements from both the technical and the advertising viewpoints will prove far more valuable than much theoretical instruction.

Features of Export Journals.—In the export journals have appeared some of the most important contributions to the subject of foreign trade. As an instance may be cited *Export American Industries*, the official organ of the National Association of Manufacturers. This journal has for several years published a supplement entitled *How to Export*, the editor of which is Hugh McNair Kahler, a recognized expert. R. G. Dun and Co. issue an International Edition of their *Review*, in which have been published many valuable articles relating to the trade conditions in the United States and Latin America and in other parts of the world. *The American Exporter* contains numerous editorials as well as important essays on the subject of export trade in general. In the department entitled "News of Export and Shipping Circles" are many instructive articles, while its domestic supplement (which is not included in the paper circulated abroad) also has much information of value. A publication of the Philadelphia Commercial Museum, *Commercial America*, will be found useful for like reasons. The monthly magazine, *The Americas*, circulated free of charge by the National City Bank of New York in connection with other foreign trade service, also contains many valuable and practical articles on export problems in general. The monthly journal, *The South American*, is a well edited and interesting paper which naturally concerns itself with South American trade. Its lessons in Spanish are a valuable feature. The *Cuba Review*, a publication of the Munson Steamship Line, is devoted almost exclusively to the interests of Cuba, and readers will find that it contains a great deal of interest relating to that island. Another journal of importance is the *A Nation's Business*, published by the Chamber of Commerce of the United States in Washington. This contains numerous important articles relating to domestic and foreign business. Of the journals published in Spanish may be mentioned *El Comercio*, *La Hacienda*, *El Exportador Americano*, *El Indicador Mercantil* and *El Mercurio*. A reading of these publications will prove not alone of interest but of value to the student. The daily paper published in New York under the title *Las Novedades* has a considerable circulation in

Latin America and as it is written by natives, the Spanish is such that the student will find it a valuable means of extending his vocabulary. (For a complete list see page 495.)

How to Obtain Export Journals.—Because of the wide interest in export trade and their contributions to the literature of the subject, export journals should be on file in all public libraries; they should also be included in the libraries of Boards of Trade and commercial organizations. Subscriptions may be sent direct to the publishers whose names and subscription rates may be found on page 495.

Latin America in the Magazines.—In addition to a study of the export journals and magazines may be suggested a systematic reading of numerous important articles regarding the Latin American republics and trade possibilities therein, which have appeared in the magazines. A valuable index to such articles and a résumé of their contents may be found in the Bulletin of the Pan-American Union, Washington. The Bulletin may be obtained by writing to the Bureau at Washington or may be found in almost all public libraries. A further list of articles will be found under the various headings of "Poole's Index," which is in use in all public libraries.

Handbooks Issued by the Government.—Still other sources of valuable information are the publications of the United States Government. The unlimited facilities at the command of the various departments have resulted in the preparation by experts of many books and reports that are valuable and useful. These works cover almost every field of human endeavor and include a particularly large number of pamphlets dealing with Latin America both from the geographical and the commercial standpoint. A list of the publications which are almost indispensable to students may be had by addressing the Superintendent of Documents, Government Printing Office, Washington, D. C.

How Railways Coöperate.—Further assistance in studying the opportunities for trade expansion with Latin America may be obtained from various sources. Among these are the foreign freight agents of certain railway systems. An example of railway coöperation is that of the Southern Railway and Allied Lines, which on April 1st, 1915, established the office of South American Agent. The duty of this Agent is to assist merchants and manufacturers

to extend their trade to Central and South America and the West Indies. This assistance takes the form of information regarding the methods of packing and other requirements: the preparation of letters and circulars: and specific information relative to market possibilities. Simultaneously a campaign is carried on in Latin American markets relative to the advantages of shipping products to the United States and efforts are made to arrange for the extension of the markets for such products. The railway also uses its influence to create interest in the study of Spanish and Portuguese, in commercial geography and in the formation of foreign or export departments of local Chambers of Commerce. Special attention is paid to the Latin American point of view and the work is largely of an educational character. A monthly bulletin containing items of interest and trade opportunities is furnished free of cost.

Assistance of the National City Bank.—Still another means of studying the market possibilities of the Latin American countries is afforded by large financial institutions which are taking advantage of the Federal Reserve law to establish banks in various Latin American countries. Among the most prominent banks engaged in this work is the National City Bank of New York which coöperates with those interested in the development of export trade by investigating the market possibilities in particular lines of goods. Upon request to this institution, experts in the countries where the bank has established branches will be retained and reports will be prepared. The expense of obtaining such reports will be prorated among the applicants although the bank makes no charge for its service. Under this arrangement any number of individual manufacturers of a particular line of goods can obtain information regarding the possibility for marketing their products. The expense, if borne by one manufacturer, would be very heavy, but if prorated among several is comparatively *inexpensive*. The development of this department of the Bank's work is in accordance with its policy to assist in every possible way to extend American trade.

Coöperative Effort in Study.—Notwithstanding the fact that much knowledge may be gleaned from the sources outlined, manufacturers frequently desire to obtain information at first hand by sending a representative capable of ascertaining the facts and

making a definite report as to the sales possibilities of a particular product. Occasionally the prospective sales of a manufacturer in a given territory would not justify the expense of a sole representative, in which event coöperative effort on the part of several manufacturers may result in obtaining the necessary information at a much lower cost. If a representative is desired for this purpose, the division of the expenses among the manufacturers interested may be arranged in the manner indicated in Chapter III.

Coöperation Among Individual Manufacturers.—There are many instances of successful coöperative effort in the study of market possibilities. One of these is that of the New England Manufacturing Jewelers and Silversmiths Associations which coöperated with the Foreign Trade Department of the National City Bank in Buenos Aires. The bank arranged with a reliable jeweler for the purchase of a representative collection of silverware, the expense thereof being prorated among individual members. In addition, information was obtained relative to the importations, the buying seasons, the packing, the methods of payment, etc. Members of other trades could easily coöperate through their national or local organizations in order to obtain the necessary data with which their members could proceed intelligently.

Other Assistance.—The American Express also maintains a department to assist business men to extend their trade with Latin America. It publishes a bulletin, containing notices of trade opportunities, etc., circulated free. Its service may be had for the asking.

Valuable Aids to an Export Department.—The export manager should use certain books which will be found valuable in soliciting Latin American business, and in the preparation and shipping of orders from the Southern Republics. Lists of such books are found in the Appendix on pages 464-495.

CHAPTER III

METHODS OF BUILDING BUSINESS WITH LATIN AMERICA. COOPERATION BY MERCHANTS

Introduction.—There are various means of doing business with the merchants of Latin America and their desirability is dependent upon many factors. The different methods should be carefully studied but when a policy has been decided upon it should be strictly adhered to and the manufacturer should not allow himself to be swayed from a course which careful analysis and study has shown to be the proper one to pursue. An indispensable factor is a sympathetic attitude toward Latin Americans, and an understanding of their customs, methods, etc. Without such an attitude coupled with intelligent systematic effort, success will be difficult of attainment.

Expert Advice Desirable.—While it is not essential that the manufacturer possess a personal experience in the countries with which it is planned to do business, it is highly desirable that any efforts made shall be intelligently directed. To learn what may be the best sales methods to pursue, expert advice should be solicited from those who have had experience in Latin American fields and from every other available source.

The Various Sales Methods.—The different methods of selling merchandise to Latin America are as follows:

1. *Traveling Salesmen.* These are sent direct from the factories to the particular country or countries in which it is desired to do business.

2. *Group Representation.* By this is meant the sending by a number of manufacturers of one agent to cover a particular territory.

3. *General Agents.* These are appointed either by the personal representative of the manufacturer or by correspondence and represent him in a country or a certain prescribed district or territory.

4. *Local Agents.* These are appointed either by the general agents of the manufacturer or by a traveling representative, or are employed by correspondence to cover a definite territory, usually of limited extent.

5. *Export Commission Houses.* These are generally located in New York City, but a number are found in San Francisco, New Orleans, Boston, Philadelphia, and Mobile.

6. *Direct Correspondence.* This affords means of doing business of some extent with the importers, wholesalers, and retail merchants and individuals or corporations in the Latin American republics. In such relations, the business is transacted by correspondence.

7. *Advertisements in Export Journals.* This affords another means of developing business in Latin America by creating prospects with whom correspondence is then undertaken. Business is often the result.

8. *European Commission Houses.* Another means of doing business with the Latin American countries is through the European commission houses of Hamburg, London, Paris, and elsewhere, whose organizations frequently equal, if not excel, those of American export houses.

Methods of European Houses.—These companies have agencies in the principal cities of Latin America, and do not confine their efforts to European products. Not infrequently they accept outright representations of American manufacturers, and in other instances their agents obtain orders for American products which are paid for by the European office or its branch in New York City. In such instances the shipments are made direct from the factory via New York, and the invoices are paid by the European office. A list of European commission houses will be found in the "World's Trade Directory," Kelley's "Directory of the World" (see page 503, Appendix), and in local directories of Berlin, Hamburg, etc. These directories may be bought as indicated in Chapter XVI, or may be consulted in the reference rooms of the principal libraries in the United States. Many American manufacturers who have efficient agents in New York City obtain a considerable volume of trade through the agencies of the European export commission houses.

Considering Best Methods.—Every business man who contem-

plates the development of export business must determine at the outset, by careful study, the best methods of developing trade and the class of buyers he desires to interest. Practically the entire success of his efforts is based upon a decision of these questions, and it influences the character of his literature and expenditures. The advantages and drawbacks of these methods are carefully outlined in the various chapters in which these topics are discussed. The necessity for such a careful study of methods is readily apparent when the vast difference in the organization of large corporations and small manufacturers is considered. The great mercantile or manufacturing institutions supplied with an abundance of capital, highly developed and specialized organizations, are not confronted with the difficulties which beset the small dealer who lacks many of these advantages. It is quite generally conceded that the greatest volume of business in the future will be done by the smaller houses, and it is they who must make the most careful study before attempting an export business in order that all possibility of errors may be avoided. Every effort should be diverted so to organize sales plans that advantage may be taken of all mediums—export houses, local agents, large importers, general agents, etc.

Conditions in Foreign Countries.—Commercial conditions in Latin America are somewhat dissimilar to those in the United States, yet the underlying principles of business there are absolutely identical with those here. A fact of great importance that must be remembered in studying the question is the possible conflict of relations between the importer, the wholesaler or jobber, and the retailer. While trade in the larger cities is highly specialized, such is not the case in the smaller communities, and the manufacturer who is thinking of exporting his products must remember that not infrequently the purchaser of his article will be a manufacturer's representative, also an importing wholesaler or jobber, as well as a retailer. This makes it extremely important to determine beforehand how these conditions are to be dealt with in establishing a sales policy and in fixing prices, discounts, and terms. It is for this reason also that the manufacturer must be extremely careful in the distribution of his literature.

Why the Different Classes Should be Studied.—The exporter must not be astonished at this variation, as orders may be re-

ceived from the same town from wholesale importers who wish to distribute only to the retailer, and from large retail establishments which will be interested in buying only for their own account.

Importance of Prices and Quotations.—Business in Latin America is greatly aided by the establishment of a definite system of prices and discounts. These should be changed as rarely as possible, and only after the most serious consideration should they be altered when once quotations have been made. The Latin American importer or dealer who has based his own calculations on quotations made to him will find it extremely embarrassing to receive a notice of change of price, inasmuch as he does business in remote places, very difficult of access, which can be reached only with considerable delay and loss of time. Quotations, whenever possible, should be made c.i.f., which means, charges, insurance, freight (*not* duty) included. Especially is this of great importance where the item of freight is a determining factor in obtaining business. Every effort should be made by the manufacturer to study this seriously, in order to avoid being underbid by foreign competitors. The freight rate from the seacoast to interior towns should especially be ascertained, for the good will and interest shown by the exporter in so doing will be greatly appreciated and reciprocated. The importance of quoting at least to Latin American ports cannot be too strongly emphasized.

Various Grades Demanded.—One of the advantages of the Latin American trade field is the demand for many different kinds of merchandise. In innumerable lines the sale is not confined to one grade, but has the very widest variation. This is especially true when one considers the Latin American field as a whole and the trade possibilities of the twenty individual republics. It is even more marked if consideration is given solely to the possibilities of one city, such as Buenos Aires, for example. In such cities there are stores which sell only the most expensive wares, just as there are in New York, and there are other houses that cater only to the cheaper trade. It is solely a question of the representative's making a proper study and approaching the firm that can use his grade of merchandise.

Other Opportunities in Latin America.—Sales in Latin America can be made not only to the importers and business houses, but there are also other opportunities for business. Briefly, they are

as follows: the governments themselves; the railroad and steamship companies; construction companies engaged in the building of railroads, water and power plants, etc.; mining companies; sugar mills; individuals or corporations engaged in commercial enterprises.

Business with the Governments.—Among the large purchasers of materials and supplies for national institutions, the army and navy, hospitals, etc., are the Governments themselves. In certain republics some of the railroads are owned and operated by the Government and the purchases are made through the department authorized by law for that purpose; frequently it is the Department of Fomento, which corresponds in a general way to our own Department of the Interior. The methods of doing business with Governments are similar to those used in selling to the American Government. While advertisements for the requirements of the several departments are usually published in the official government organ, the *Daily Official Gazette*, a local representative must be employed if contracts are desired. The latter must have close personal relations with government officials, and a thorough understanding of the requirements for and means of obtaining a hearing. A competent representative may be secured in the manner indicated in Chapter VI.

Railroads and Steamship Companies.—The railroads and steamship companies are among the largest buyers of American manufactures and their purchases are constantly increasing in volume. They are usually as well organized as similar corporations in the United States, and the methods of doing business with them are practically identical.

Construction Companies.—Among the large buyers of supplies of all sorts, especially for construction work, are these corporations, many being under the direction of Americans, who naturally favor American implements and materials. These, during the coming years, offer vast opportunities. A list of such companies may be obtained without difficulty. (See Chapter XVI.)

Mining Companies.—With the development of the great mining districts in South America, Central America, and Mexico, will come opportunities for increasing sales of mining machinery, supplies, etc. These institutions, particularly when directed by Americans, will favor American manufacturers. Their names are

to be found in directories, and a large business can be done with them by mail, but the representatives on the ground will naturally be given the preference.

Sugar Mills.—One of the greatest industries of the tropics is that of raising sugar, and its conversion into various products. Great opportunity is thereby afforded for the sale of sugar machinery and kindred supplies, and an increasing volume of this business will undoubtedly be done.

Individuals and Corporations.—Many of the most important enterprises in Latin America are being developed by individuals or corporations whose purchases are so large that they are made direct of the manufacturer. This number will become increasingly important, and its wants should be carefully studied by the manufacturer who wishes to develop an export trade. Not infrequently the purchases of such an individual will far exceed in value the combined imports of merchants or other importers in a given district.

Coöperative Effort.—The difficulties of the small manufacturer in export business have frequently been alluded to and, unfortunately, have often been exaggerated. Many small manufacturers have used all the means outlined in the early paragraphs of this chapter to establish themselves, and in some instances have found that coöperation with other exporters was the most effective means of winning Latin American business.

The Principle of Coöperation.—The discussion of many export trade policies is too academic to be understood by the novice in foreign trade. This is particularly true of plans suggested for the combinations of manufacturers to secure Latin American business. In no instance may success be expected unless the methods used are thoroughly practical. Even coöperation, while possessed of excellent features, may prove a failure unless the planning is done intelligently. The theory underlying coöperative methods in export trade is an excellent one, being based on the difficulty of obtaining proper representatives and on the great expense which must be incurred by the individual manufacturer in attempting to win foreign trade by direct efforts.

Sales Organizations Already Exist.—The results which are sought by groups of manufacturers who combine for foreign sales efforts may often be achieved by organizations which already exist.

These are the local or general agencies which can be found in almost all Latin American countries, not alone in the larger cities but in the less important commercial centers. Such agents accept the representation of several manufacturers. The work of these agencies is practically duplicated when groups of manufacturers coöperate, and it would often prove more advantageous for individual manufacturers to take advantage of this selling machinery than to coöperate with other manufacturers. Only individual circumstances or conditions can determine the best policy.

How Business Men May Coöperate.—It has been well established that for certain handlers of allied lines, coöperative effort is the most effective means for obtaining a foothold in Latin American trade. When a group of such merchants can be brought together on a thoroughly sound business basis, their combined efforts often prove successful.

How Groups May be Formed.—Manufacturers who believe their products can find a demand in Latin America may invite other firms of like opinion to coöperate. In arranging such groups extreme care must be taken not alone in the selection of the lines but also in the arrangement of the expense. It would be unwise for manufacturers of hardware, millinery, leather, paints, and hats to combine. On the other hand, coöperation of concerns, all of whose products were sold by hardware stores, would prove logical. Such manufacturers might produce screws, small machinery, tools, and similar articles. Another group might be formed by the producers of ladies' apparel, underwear, hosiery, trimmings, millinery, et cetera. A third group might include the manufacturers of leather, dressings, findings, and other articles used by shoemakers. Unless the grouping were carefully done, the efforts of the representative would be dissipated, inasmuch as too much time would be lost to interest the principal importers of these various products. On the other hand, when the attention of the buyer had been obtained by the representative of a group of kindred manufacturers, the possibilities of sales would be much greater.

The Working Details of Group Arrangements.—The representative of a group of manufacturers may be chosen in any of the ways indicated in Chapter VI. When the representative has been determined upon, the manufacturers should select from their num-

ber the one most familiar with conditions in Latin America, to direct the movements of the representative. The latter requires the same coöperation, direction, and guidance that is extended to the manufacturers' domestic salesmen. The attitude of a joint representative and the service rendered by him should be identical with those of the salesman in the domestic field. The fact that a number of manufacturers have combined will make it possible to engage a man of greater ability than would be possible in the case of the individual manufacturer and he can thus be paid an adequate salary. Only the most efficient and capable representatives should be sent.

Understanding Regarding Expenses.—There should be a very distinct understanding, in advance, of the proportion of expense to each manufacturer, and a definite arrangement for payments. This should apply not only to the remuneration of the salesman and to his traveling expenses, but likewise to any other expenses incidental to the operation of the group. When manufacturers agree to pool interests in combinations of this character, there is a likelihood of dissatisfaction if the sales of one or more are less than those of the others, and this difficulty is usually anticipated by an agreement to prorate all expenses in proportion to the sales for the individual manufacturers. Even when such experiments prove a failure, the losses to group members are usually very much smaller than would be the case were the experiment made by an individual manufacturer.

How Local Business Organizations May Assist.—Business organizations should seek to lend the most practical aid in Latin American trade extension. An example of such aid is the following:

1. Coördinating groups of manufacturers.
2. Assisting in obtaining representatives for such groups.
3. Obtaining data relative to trade conditions in Latin America, on which to base the movements of the representative.

The rooms of the business organizations may be used for the purpose of coördinating groups, and other valuable service may be rendered by an intelligent secretary. This may include the obtaining and careful investigation of applicants for positions as traveling representatives.

The Formation of an Export Company.—Another means of establishing a business by coöperative effort is the organization of a

stock company by a group of manufacturers who wish to extend their foreign trade. The capital of such a stock company may vary in proportion to the requirements of the market, the expense incident to the establishment of the business, and the number of salesmen employed. For such a company a manager or director is engaged on the best possible terms; a salary with commission based on net profits is preferable. When this form of organization is undertaken, the details of the management are usually left to the director, who must be highly experienced, and who confers, as necessity requires, with the members. The number of manufacturers who enter such combinations should be restricted for the reasons that have already been alluded to, viz., multiplicity of lines or the failure to sell kindred products may prove disastrous. Such a stock company permits the payment of a large salary to a competent manager and the employment of thoroughly reliable and experienced salesmen. As time is usually required for the successful establishment of a foreign trade, the wise merchant will not expect immediate profits. In the case of a combination of manufacturers the losses during the first two or three years will be smaller than if individual efforts were made, and at the same time the foundation for a permanent business is being laid. It may even prove profitable, when such combinations are formed, to devote to preliminary investigation a part of the money subscribed. Transactions with Latin American merchants may be financed by such an organization, the combined credit of the firms who thus coöperate being used for the benefit of all and the amount of actual cash required being thus minimized.

Expenses of a Coöperative Organization.—The conditions which determine the expense of any coöperative organization vary greatly and depend entirely upon circumstances. If the plans include the employment of a capable manager or director, a salary of at least five or six thousand dollars per year may be required. If representatives are sent to establish offices in the principal Latin American capitals, similar salaries should be paid. It is of the greatest importance that the representative be of a high type in order that results may be in proportion; competency should not be sacrificed to economy. The expenses of such a representative would naturally be larger than in the United States because of the

importance of social life. For traveling agents or assistants, a salary and commission, naturally based on sales, may be calculated at from one hundred twenty-five to one hundred seventy-five dollars monthly for each man. The daily expense, as indicated in Chapter VI, would average from ten to fifteen dollars, except in the case of local agents who cover a territory adjacent to a capital and whose expenses would naturally be materially lower. The cost of maintaining an office in a foreign capital, including the rent, stenographer, and incidental expenses, would vary in relation to the character of the location, et cetera, but would be in the neighborhood of thirty-five hundred to forty-five hundred dollars per year. These expenses prorated among a group of merchants would be very much less for the individual than would be the case were they incurred by one exporter. In the latter event the sales might be larger but the risk would be proportionately greater.

The Advantages of a Lawful Price Agreement.—One of the questions which is being vigorously agitated is the combination of manufacturers for the purpose of fixing prices for export. The success achieved by Europeans, particularly German exporters, is often cited by American manufacturers who are at a disadvantage in this regard. Were it possible for competing dealers in certain lines to agree upon prices at which their output could be sold in foreign countries at lower prices than those charged in the United States, they would frequently be able to outbid European competitors. The investigations of the Federal Trade Commission may result in such authority being granted. Agreements in reference to prices, percentage of output, lower freight rates, et cetera, would naturally come under the jurisdiction of the Commission, which would thus safeguard such practices.

The Importance of Specialties.—The factor of price in the sale of certain articles to Latin America is almost negligible, inasmuch as these are specialties, the markets for which have been created by advertising and by the intensive work of the manufacturers. An analysis of the exports of the United States and a study of advertisements in export trade and technical journals reveal the fact that a large percentage of the American export trade in manufactured products is due to the sale of specialties. Because of this fact manufacturers of such articles would have little interest in combinations which seek to reduce prices, although, on the other

hand, the same producers might find it advantageous to market their product in certain countries or districts through joint representatives.

Coöperation an Essential.—No matter what may be the attitude of the individual business man towards combinations, he will be directly interested in all coöperative efforts to further the business interests of the United States in Latin America. Coöperation has been found so valuable in every field of activity that no plan, particularly for the development of export trade, should be rejected without thorough investigation. By maintaining an open mind and weighing the advantages and disadvantages of the various means of doing business, the alert manufacturer will often discover that in certain countries or under certain conditions plans suggested may be adaptable to his own product.

CHAPTER IV

EUROPEAN AND AMERICAN METHODS CONTRASTED

EUROPEAN METHODS IN LATIN AMERICA

Introduction.—In the discussion of Latin American trade and its possibilities for the American merchant, the methods of European firms are referred to with great frequency. It has often been stated that American business men find difficulty in meeting European competition, and that the great preponderance of manufactured articles imported into Latin America must always come from Europe. In this respect, the European War worked a considerable change, and it is recognized that the opportunities for the sale of American products are greater than ever before. Much, however, can be learned from European methods, and many American houses have already adopted the means which have made European export houses such an important factor in the Latin American field.

European Aid to Merchants.—Until very recently, American export trade received almost no support from the United States Government. In striking contrast should be mentioned the great advantages which the European manufacturers have enjoyed for many years in the aid of their national governments. Exporting having become a serious economic necessity, it became advisable for the governments to aid merchants in every possible way to increase their exports. This accounts for the paternalistic policy which has found various forms of expression. Among these may be cited the following: subsidies to steamship lines; granting lower railroad rates within the country itself to give an advantage to the exporter; the recognition of trusts or syndicates; the intimate coöperation with boards of trade and organizations of manufacturers; the establishment of Chambers of Commerce in the Latin American republics; the appointment of highly trained commercial attachés; and the dissemination of all useful information of a commercial nature to interested firms.

Aid of European Associations Unlike American.—The most notable feature of European trade has been the remarkably rapid development of German oversea commerce in comparatively few years. A striking difference between the German and American export situation is the lack of coöperative effort between the numerous German organizations which exist for the purpose of promoting export trade to foreign countries. An explanation may be found in the fact that commercial conditions in Germany are very dissimilar to those in the United States, and the governmental aid, in this as in other activities, has been paternalistic and individual to a high degree. This has found expression in the numerous *Kartels* or syndicates (in some of which the Government is directly interested) through which prices are fixed and output is controlled. In the matter of foreign trade, special concessions have been granted in railroad and steamship rates. The interests of the different commercial organizations frequently conflict, hence the founding of associations for the development of export trade in specific manufactures or in certain industrial districts.

Some Important German Export Associations.—There are export and commercial associations in practically every important manufacturing community. These organizations are semi-official in character, many being subsidized by the state or provincial governments. Among the more important organizations of this character have been the following: the Association for Commercial Geography and the Promotion of German Interests in Foreign Countries (*Centralverein fuer Handelsgeographie und Foerderung Deutscher Interesson im Auslande*), of Berlin. This organization was founded in 1878 and has grown in importance until now it has numbered over five thousand members. Another very important association of Berlin has been the Exporters' League (*Vereinigung der Export Firmen von Berlin*), which is widely recognized as an authority on export matters. Other associations whose object is the furtherance of export trade are found in Bremen, Frankfort, Elberfeld, Nürnberg, Leipzig, Mannheim, and other centers of trade.

Services of European Associations.—There have also been associations of the manufacturers of Saxony, of Bavaria, of Württemberg, etc., whose efforts to develop an export trade were productive

of much business. Such organizations maintain offices, and, while the services rendered to members naturally vary, they are, in the main, the following: translations; reports on trade conditions and opportunities in foreign countries; trade lists; credit information; practical advice for the solution of difficult export problems; aid in the appointment of representatives; assistance in the distribution of catalogs, price lists and advertising matter; exhibition of samples; the distribution of publications devoted to the general topic of export. In no other country have the interests of the business men and the Government been as efficiently coördinated as in the German Empire. The work of numerous trade organizations throughout the United States is now similar to that of German export associations, and the aid extended American manufacturers by the Government is fast becoming as efficient and useful as that of the German foreign trade service.

Germany's Trade Scientifically Developed.—In the creation of German foreign commerce, nothing has been left to chance. Every detail has been scientifically worked out. At the expense of domestic traffic, Germany has granted lower rates on particular exports in order to assist its industries to meet foreign competition. Protective tariffs have been, in effect, against the producers of raw materials which compete with German industry. There has been a marvelous coördination of transportation lines to favor the development of export trade and to insure the saving of every possible cost. There has also been a discrimination in favor of every industry, and the merchant marine, the German seaports, and commerce in general.

Study, the Keynote of Success.—Notwithstanding the assistance furnished by the Governments, the keynote of European success in the Latin American field, especially that of the Germans, has been study and analysis of export conditions, by individual manufacturers. Someone has stated that the Germans have a genius for export trade; as genius is said to be an infinite capacity for taking pains, it is probably true. Germany's success in every field of endeavor has been due to painstaking effort in study, investigation and planning. The German long since learned the importance of thoroughly qualifying himself to supply the product required, even under adverse conditions. The American merchant will likewise find his results in direct relation to the effort made.

European Export Methods in Latin America.—In the preceding chapter reference has been made to the work of the German manufacturers in the creation of trade with Latin America. Many of these manufacturing establishments have been in existence for long periods and their growth has been a gradual but steady one. It is the custom of these concerns to take into their employ ambitious bright young men. The latter have had a thorough training in the public and commercial schools, where they are taught the usual branches necessary in business, but likewise are given special instructions in commerce and a thorough training in the geography of foreign countries, the people, their languages, history, and customs. After their entry into these houses they are equipped with a knowledge of the business and particularly with full information regarding the country to which they are eventually to be sent when they have become sufficiently competent. There they are placed in the branch office of the company, or, in the case of smaller concerns, they become its travelers. They may hold these positions for years, and, from time to time, are sent to new fields, that their efficiency may be increased. In many instances they finally return to their native countries to assume important executive positions with their firms, or establish themselves on their own account.

European Commission Houses.—A considerable volume of all European business is transacted through the commission houses. These, to a very considerable extent, are constituted as are the American export concerns, but are unlike them in some respects. Numerous German manufacturers, especially the smaller ones, are accustomed to place the sale of their manufactures abroad with one individual exporter. It is he who equips his salesmen, selects and arranges samples, and upon whom the manufacturer depends for results. In such an arrangement the export house itself acts more in the nature of a jobber, placing its own prices on the merchandise, and taking its profits as it sees fit.

European Method of Discounting.—European manufacturers oftentimes do not attempt to deal direct with the Latin American importer. As in the United States, they make arrangements for the sale of their products through export firms whose relations to them are precisely like those existing between an export commission house in the United States and similar American manufac-

turers, a large volume of the German exports being handled through the Hamburg export houses. When an European manufacturer or exporter who ships on open account makes a shipment, he attaches to the bill of lading covering it, a draft which may be drawn at any number of days sight, determined upon in advance. This is taken to a bank, discounted, and the proceeds placed to the manufacturer's credit. Naturally, in a transaction of this character the banker must have implicit confidence in the manufacturer, inasmuch as his contingent liability remains the same. He must also have a thorough knowledge of the country in order that he may have no fear regarding the consignee. So highly developed, however, is this knowledge that manufacturers find no difficulty whatever in financing their shipments. This method enables them to do business abroad in a manner which would otherwise not be possible.

How Europeans Finance Export Shipments.—One of the disadvantages which has been urged against American firms in the past has been their inability to finance shipments with the same facility as that shown by European exporters. While a number of the most important American export houses have had banking arrangements which permitted them to discount their drafts on their correspondents in Latin America with New York or European banks, the custom of financing shipments to Latin America by discounting drafts has not become general, particularly among the smaller manufacturers and those exporters who have made shipments on open accounts. An increasingly large number of shippers will undoubtedly avail themselves of the privileges of the new Federal Reserve Banking Law, although the latter still requires certain amendments if the fullest benefits are to be realized by the shippers. This subject is fully treated in Chapter XIII.

Development of Trade Experts.—A natural result of the development of the export business was the education of a large body of men highly trained in its requirements. These experts are associated with banks and financial institutions, with the result that the bankers themselves have as thorough a knowledge of conditions prevailing in each of the countries as the individual shipper. In its aid to the exporters the Government has always had in mind the interests of the smaller merchant, and by its system of

financial help has made it possible for the less powerful manufacturer to develop business which otherwise would have been impossible.

The Question of Foreign Competition.—One of the questions that most frequently arises in considering trade extension to Latin America is the matter of foreign competition. There has long prevailed an idea that certain European countries, because of cheap labor, are enabled to undersell the Americans, and that the development of a market for similar products of the United States is therefore impossible. Investigation will prove that this conclusion, as a general fact, is fallacious. The Latin American merchant is one of the most efficient in the world and, because of the necessity for considering complex tariff schedules and fluctuations in currency, is accustomed to make very close calculations. He is an excellent judge of quality and thoroughly competent to appreciate the difference between low cost and quality and a higher cost with corresponding quality. The judgment of the ultimate consumer is another factor to reckon with and if the superiority or desirability of an article is demonstrated he is quick to realize that fact and willing to pay in accordance with that standard. As a specific instance may be cited the sale of a certain American machete which has become famous throughout Latin America. Its imitation has frequently been attempted by European cutlery manufacturers but without success. The imitation has often been placed in stock by dealers who have sought to make a larger profit than was afforded by the American article, but they were compelled to abandon the sale when the natives returned the imitation with the complaint that it was far inferior to the one they had been accustomed to use. This is the supreme test in Latin America as in other markets, and the alert, efficient representative who knows his product thoroughly will have absolutely no difficulty in overcoming the prejudices of the average dealer in the matter of price.

European Commerce Benefited by Emigration.—European merchants have enjoyed certain advantages over their American competitors in the development of their commerce with Latin America. These advantages have resulted from the emigration to the Latin American states of the natives of Germany, France, England, and, particularly, Spain and Italy. A logical result of this

emigration has been a demand for the products and manufactures of their home countries, which they prefer to buy from their own exporters because of the familiarity with the language, customs, business conditions, etc. The Europeans have taken the fullest advantage of this condition and have sought in every possible way to strengthen their commercial ties with their countrymen in the Latin American republics. As an example of this policy may be cited the case of Italy. The Italian immigration into Argentina, Brazil, Chile, and Uruguay has been very large. Important colonies are found in many cities, with newspapers, clubs, Chambers of Commerce and banking institutions exclusively Italian. The Italian Government has vigorously aided the movement to increase the prestige and power of her citizens in the newer republics, and her manufacturers have achieved the most notable successes in these fields, which they have assiduously cultivated. Judged by American standards, the growth of Italian commerce with Latin America was not rapid, although a steady one. However, the foundation was firmly laid and the methods used were as thorough and careful as those so characteristic of the Germans.

American Emigration Desirable.—The success achieved by European concerns as a direct result of emigration to Latin America may well be studied by the North Americans. The establishment of American business houses, Chambers of Commerce, banks, and agencies, should be aided by every possible means. The location of American citizens in the Latin American countries will automatically create a demand for the products and manufactures of the United States, which will result in an expansion of business. American manufacturers can well afford to study the development of European trade in Latin America as a means to a more rapid development of their trade with those countries. Particularly should they remember the attitude of the Europeans toward foreign commerce—a regard for it as a permanent asset which must be carefully conserved in times of prosperity as well as in periods of dullness.

The American Attitude Toward Export Trade.—The development of commerce between the United States and the Latin American republics has been marked by innumerable failures of otherwise successful business houses to obtain a foothold in that field of vast possibilities. The chief causes of nonsuccess have been those

which characterize the difference between European and American business methods in general. Owing to the rapid development of the resources of the United States, American merchants have not greatly concerned themselves with opportunities in foreign countries. Until a comparatively recent date, scientific management or the application of scientific principles to commercial practices have had but slight recognition. Wasteful methods have been the rule in almost every field of manufacturing and business administration. A lack of thoroughness, an indifference to detail, and a readiness to generalize have marked the industrial development of the United States.

Many American Efforts Misdirected.—As a natural result of this attitude toward business in general, the same method marked the attempts to obtain trade in Latin America. Many American business men, suddenly impressed with the need of obtaining Latin American trade, have undertaken to do so in a manner which would seem both ridiculous and inexcusable to their European competitors. By far the greater number of attempts have been made during periods of depression when it seemed desirable to obtain a volume of trade to replace lost sales in the domestic field. Not infrequently, where a fair measure of success followed even such puerile attempts, the field was abandoned as soon as dullness gave way to prosperity at home, and the ground that had been gained at great expense was again lost.

Need for Experts Disregarded.—The necessity of a trained or expert adviser has likewise been frequently overlooked, and even more often the direction of the foreign business has been attempted with no previous experience to warrant it. A prejudice against the employment of competent managers has often resulted in losses which a more intelligent policy could have avoided.

American Refusal to Follow Directions.—Another serious fault of the American manufacturer has been his refusal to comply with the simplest directions of his foreign patrons in the matter of packing, the preparation and sending of documents, and the observance of shipping directions. His stubborn insistence upon shipping articles not ordered but substituted by him on the theory that they would be "good enough" has worked incalculable harm. Lack of appreciation of the Latin American viewpoint toward advertising matter, catalogs, price lists, and the conduct of correspond-

ence, has likewise aroused great dissatisfaction. Perhaps the greatest contrast between European and American business practices may be found in the attitude towards sales methods. The average American manufacturer who has undertaken to gain Latin American trade has considered only first cost.

European Manufacturers' Study and Training.—The European business man, often after a long period of study and preparation, sends a representative (who has had a technical training and speaks the languages of the countries he is to visit) on what is practically a missionary or introductory tour, contenting himself with the knowledge that the eventual results will justify the expense of the first trip, which he considers an investment. The information which is gleaned by the representative and the connections made are turned to good account in later years.

American Salesmen Lack Preparation.—In sharp contrast are the methods of the American merchant who, without previous study, sends a traveling agent to countries of whose business conditions he knows absolutely nothing, and expects the representative's first trip to be highly profitable. In numerous instances the salesman speaks only English and is unwilling to adapt himself to the business customs and manners of the Latin American merchant.

European and American Methods Contrasted.—The European method may be epitomized as follows: patient study and analysis; adaptation of sales methods to the desires of the people and necessities of the situation; thoroughness in every detail; and absolute coöperation. All this is in striking contrast to practices which have until recently marked most American efforts for trade expansion. The success achieved by the corporations which have firmly established themselves in the Latin American field is serving to demonstrate to other manufacturers the necessity of like methods. Upon the adoption of this course depends the future of North American success in the Southern trade field.

METHODS OF SUCCESSFUL AMERICAN CORPORATIONS IN LATIN AMERICA

Introduction.—In discussing trade opportunities in Latin America the success of European exporters has been cited as evidence

of the superiority of their methods. However, an analysis of the exports of American houses to Latin America discloses the fact that a business of extraordinary volume has been created there by a number of large corporations who have been quite as successful in overcoming trade obstacles in Latin America as they have been in the home market. Many of these manufacturers, with the determination successfully to build a business in Latin America, made an exhaustive investigation of trade possibilities before attempting to effect sales. Like their farseeing European competitors they have devoted the same energy in time of prosperity as of adversity, to their export as to their domestic business.

Methods of Certain American Firms.—The methods used by the corporations in question have varied in character, inasmuch as the conditions under which they worked were diverse. In some instances the companies themselves undertook to place their manufactures by direct methods. In other instances combinations of noncompeting companies were formed and by adhering to the same principles as those of the larger manufacturers were able to achieve equal success in proportion to the effort expended. The concerns who formed the combinations realized that the possibilities for individual sales did not justify an exclusive traveling agent. By pooling their interests they were able to command the services of experienced and trained men to act as traveling representatives at a remuneration which was part salary and part commission. These representatives not only visited the houses in Latin America with whom selling connections had been established, but likewise called upon the subagencies and accompanied the local or territorial travelers for the purpose of keeping them fully abreast of changes and improvements, thus insuring the highest efficiency. An individual manufacturer in any of the groups would not have been justified in such an expense, but as a group member the expenses were proportionately smaller. The advantages of group representation lay not only in the economy of expense but likewise in the matter of price. Particularly was this so when competitive lines were handled by the same representative who was enabled to obtain better prices than would have been the case had the lines been handled by different individuals, both contesting for the trade. It was demonstrated by actual experience that such an arrangement was possible and

profitable, the chief reason being that in almost all Latin American cities importers are averse to buying the brands or products used by a competitor. Where competing lines have been sold by a competent representative with a thorough technical knowledge and possessed of good judgment, the results to all concerned have been much more satisfactory than would have been the case had individual effort been made. This is particularly true in those countries which are less developed, with a more scattered population, and with a consequently reduced buying power.

The Result of Individual Effort.—Among the American firms that have been most successful in establishing a permanent trade in the Latin American markets because of individual effort may be cited: the Singer Manufacturing Company, makers of the Singer Sewing Machine; the International Harvester Company; the National Cash Register Company; the U. S. Steel Company; and the Standard Oil Company. The general principles underlying the sales efforts of these corporations were identical but they have constantly sought to improve their methods and to conform to the changing conditions in the different countries. The efforts of these concerns may be outlined as follows:

1. *The Character of the Organization.* The executives or directors of the company having determined to establish a business upon a firm basis in the Latin American countries, a thorough study and analysis of trade conditions was decided upon. The first step was the formation of the organization. This consisted of a competent personnel of technical experts in the business, together with men possessing an intimate knowledge of the trade conditions, the languages, and the people of Latin America. After personal visits to the countries in which it was desired to establish relations, the results of the investigation were carefully weighed and a policy outlined.

2. *The Appointment of Agents.* As a result of correspondence and visits of experts representing the manufacturers, general agents were named in the principal cities. This was done only after a most careful investigation and the agents were selected because of their standing in the community, their responsibility and ability. Every effort was made to obtain as agents men of affairs whose past records seemed to insure their success with the new products.

3. *The Subdivision of Territories.* As the business developed, and as conditions warranted, territories were further divided and either subagents or traveling representatives were named. This was done under the direction of the executive in charge of the export business and in arrangement with the general agent. Representatives were selected with the most minute care. The human factor, as an element in successful dealing with Latin America, is as important as in the United States. The salesmen chosen were preferably natives of the country rather than Americans, because it seemed less difficult to teach natives the business than to instruct Americans in the languages, business conditions, and customs of the people. Some of the corporations most successful in Latin American trade hold to the belief that an American can be taught only with the greatest difficulty, and then in but exceptional cases, to enter fully into the life of the Latin American people.

4. *Instruction of Local Agents.* The matter of the thorough instruction of agents, traveling salesmen and mechanics charged with overhauling and repairing machines was undertaken with the most rigid exactness. This required time, executive ability, and expense, but well repaid the effort put forth.

5. *Visits to Home Office by General Agents.* From time to time the general agents were brought to the American home offices and factories. In every instance possible where conditions warranted the traveling salesmen, foremen in charge of maintenance and repairs were also taken to the United States for additional instruction.

6. *Inspection of Agencies by Executives.* In certain of the corporations the executives in charge of the export business were compelled periodically to visit the general and subagencies in order that they might be thoroughly in touch with all the conditions prevailing in the various countries, and that, on the other hand, the representatives might be kept in close touch with the home office.

7. *Analysis of Market Conditions.* Market and local conditions were carefully studied, articles were packed as required, and everything that could possibly be done to make the sales easier, from the standpoint of freight, tariff, and other regulations, was cheerfully complied with.

8. *Translation of Advertising Matter.* All advertising matter was translated into Portuguese or Spanish by technically trained men, natives of Latin America, with a thorough knowledge not only of the languages but of the business. This also applied to advertisements published in trade papers, export organs, local newspapers, etc.

9. *Liberal Advertising Policy.* The value of advertising and general publicity was carefully considered and provided for to the same extent as in the United States.

10. *Sales Agreements.* Arrangements entered into with general or local agents were scrupulously regarded. Every effort was made to retain the good will and enthusiasm of agents, subagents and salesmen.

11. *Local Requirements Supplied.* The local trade requirements were carefully regarded and an enormous business established by one firm through branch offices which sold to the consumer. In making sales on installments the exact features of the American policy were adhered to. Another concern (manufacturers of a typewriter) found it advantageous to quote a price subject to discount for their machine which has a very large sale in this country at a net price. This course was adopted because the Latin Americans were used to discounts and the concession thus made encouraged cash payments. The success achieved by these corporations merely demonstrates what intelligent effort will accomplish in establishing business with Latin America.

CHAPTER V

EXPORT COMMISSION HOUSES AND EXPORT AGENTS. THEIR FUNCTIONS

PROBLEMS OF EXPORT MERCHANTS

Introduction.—The most important factor in the development of trade with the Latin American republics has been the export commission house. The exports of the United States to the Latin American republics in 1915 were \$327,307,055; between 60 per cent. and 70 per cent. of this business was secured and financed by export commission houses, hence their activities, advantages, and drawbacks deserve important consideration. The two chief reasons why the export house has been such an important factor in the trade development of the United States with Latin America are the following:

1. Because of its highly trained organization, many American manufacturers, through it, have been enabled to place their products in the Latin American countries at the minimum expense, trouble, and risk. This has been so whether the export house sold on commission or for its own account.

2. The merchant of Latin America has found it of particular assistance to trade with the export house because of the credit facilities thus afforded him. In the rapidly developing Latin American republics there is a general shortage of capital; by making consignments of raw products to the export house a basis for larger credit is established.

What an Export House Is.—The export commission house serves as the agent in the United States for merchants in foreign countries. In that capacity it acts as consignee for the foreign exporter who ships to it raw products to be sold for his account. Its most important function as agent is the placing, with American manufacturers, of orders sent to it by its correspondents; it finances the shipments; that is, it pays the manufacturers' bills and in turn collects from the foreign merchant; it attends to all

details of forwarding the shipments, including the payment of the interior freight, the transfer to the ship, the placing of insurance, etc.

Export House Sales on Own Account.—Besides serving in the capacities outlined in the previous paragraph, many export houses today make sales on their own account. One of the most interesting developments of the export commission house business has been this change in policy. Originally its activities were confined strictly to the execution of "indents" for specific products received from its agents or clients abroad. Such orders were transmitted to the manufacturers whose names were specified in the "indent" and for whose account the sales were made, a commission for the service being charged to the buyer. In consequence of increasing competition and the narrowing margin of profit, many commission houses now make purchases outright from manufacturers, and the products are labeled with their individual brands and labels. Stocks are carried in the principal cities of Latin America in order that deliveries may be made more promptly and economically. In this respect their methods are similar to those of German and other European export houses who likewise sell on their own account products and manufactures in general which may be most advantageously handled under such a system. Despite this new phase of export house practice, many firms still confine themselves strictly to commission sales.

How Export Commission Houses Trade with Latin Americans.—The importer and exporter in Latin America is often the same person, and this may be said to apply with special force to merchants located in the more remote places and in the less developed communities. In the larger cities, specializing is more frequent, and trade and commerce have been developed to the same high degree of complexity as in the United States. In many places, particularly seaports, the dealer is accustomed to ship merchandise of every conceivable kind to merchants in the interior. In return he receives the native raw products, such as skins, hides, vegetable ivory, rubber, medicinal plants, etc. These goods are properly prepared, packed and shipped to European or American export houses. The largest percentage of goods for the United States is consigned to the export commission houses of New York, where

the bulk of this business is done. The consignments are then sold by the commission houses for the account of the Latin American correspondent, and the proceeds are applied to the credit of the consignor.

Advantages of Trading to Export Commission Houses.—It will be readily seen that trading gives the export commission house peculiar advantages over the manufacturer who cannot handle the consignments of Latin American dealers. By reason of the consignments, the export house enjoys a tremendous advantage in the extending of credit. This is a point which the export house emphasizes when seeking new trade relations with Latin American importers. It is also perhaps the greatest drawback to the up-building of direct trade relations by the American manufacturer.

How Export Commission Houses Have Increased the Trade with Latin America.—Not only because of its facility for handling the products of Latin America, but because of its machinery for selling American manufactured products, is the export house so great a factor in the Latin American trade. While direct relations between the American manufacturers and the Latin American merchant are very desirable, this is in many instances practically impossible. A great many manufacturers are either unwilling to expend money and time in pioneer work indispensable to export success, or the nature of their goods is such that they cannot possibly undertake direct export business. For such concerns the export commission house affords the best medium for making sales to Latin America. Although there are some products that cannot possibly be marketed through the export houses because of technical considerations, there are but few for which a properly conducted export house cannot find an adequate sale.

The Natural Field of Export Commission Houses.—The export commission house in almost every form is represented in practically all important places in Latin America. Some concerns limit their activities to certain zones or districts in one country; others cover cities in all the republics; while still others—especially those in process of development—confine their activities to but one or more countries. The representation of an export house is largely dependent upon obtaining the services of experts and the chief difficulty is to obtain competent experienced men in Latin America as well as in the United States. The countries in which the

export commission house has assumed the greatest importance and is the most vital factor is in those republics (particularly the less developed ones) where business has not yet assumed great complexity. Chief among these are the republics of Central America, the United States of Colombia, Ecuador, Peru, and Bolivia. Notwithstanding this fact, branch offices or correspondents of the New York houses are found scattered throughout every Latin American country.

The Location of the Export Houses.—As is quite natural, the export commission houses flourish in seaboard cities. As the great bulk of export business flows through the port of New York, by far the largest number of such houses are located in that city. However, there are a number of establishments of the same kind in San Francisco, but most of their business is with the West Coast cities of South America. Export commission houses who deal almost exclusively with the republics of Central America are found in New Orleans and Mobile. Other export houses are located in Baltimore and Boston, and in very limited numbers in interior cities, such as Chicago and St. Louis.

Organization of the Export Commission House.—The character of the business transacted by the export commission house requires a competent organization, and this varies in direct ratio to the volume of business transacted. It ranges from a very small number of clerks, in the case of the less important houses, to an army of highly trained employees in those firms which maintain branch offices, traveling agents, and correspondents in almost every city of Latin America. Roughly, the organization may be divided as follows:

1. *The New York Office.* This includes the manager, assistant to manager and clerks.

2. *Branch Offices in Principal Latin American Cities.* These are in charge of men whose knowledge has been acquired in the conduct of the business, who are assisted by a staff of salesmen and clerks.

3. *Traveling Agents.* Frequently traveling agents are sent direct from the New York offices to territories where no branches have been established, for the purpose of soliciting orders and consignments, and visiting correspondents.

4. *Local Salesmen.* These are usually attached to the branch

offices under whose guidance and direction they work. In some instances they are directed from the New York office.

5. *Local Sales Agents.* These are usually located in the more remote places where they act in the interests of the New York house and under its direct guidance or that of the nearest branch office.

The Highly Developed Export Commission House: Its Functions.

The development of trade relations with Latin America has been marked by the growth of many export concerns, whose business has increased from year to year, and who, from small, insignificant organizations engaged merely in trading, have become highly complex mercantile machines. The development of their business has made it necessary for them to add, from time to time, new departments and to assume additional functions. One of the largest and most successful export commission houses in New York today concerns itself with the following activities:

1. *Consignee for Latin American Shippers.* It acts as the selling agent for the products consigned to it by Latin American dealers.

2. *Represents American Manufacturers.* Through the traveling and local agents attached to its branch offices it undertakes representation of American manufacturers for the sale of their products.

3. *Operates Sailing Vessels and Steamship Lines.* It conducts a general freight and passenger business with various Latin American republics.

4. *Banking and Foreign Exchange.* It carries on a general banking business and buys and sells foreign exchange.

5. *Fiscal Agent for Latin American Governments.* In this capacity it handles important financial matters for the Latin American republics which it represents.

Why Export Commission Houses Maintain Staffs of Experts.—

In order to transact business successfully in Latin America, a minute knowledge of the country, the people, and the requirements of trade, is indispensable. This knowledge can only be acquired by years of study and actual experience. The American commission house handles such a great variety of merchandise that it is necessary to have experts with a thorough knowledge of conditions, not only in one country, but in every republic where it does business. The conditions for the sale of a given article, as a

rule, are very dissimilar in each of the Latin American republics, and it is natural that only concerns who transact a large business can afford to employ experts whose remuneration is based on their knowledge or experience. The information that can be obtained from these experts is of the widest range, covering not only American and European competition but such details as the most suitable patterns, the proper methods for making sales, correct packing, shipping details, and all essentials for the selling of merchandise. The manufacturer seeking to extend his business to Latin America will find the advice and counsel of trained experts most valuable in the matter of distribution of catalogs, the appointment of agents, and, above all, the best fields for work.

How Export Commission Houses Handle Finances.—In transacting its business with Latin America a considerable amount of capital is required by the export commission house. This is particularly due to the fact that the large credits required by the Latin American importers make heavy demands on the export house. When it ships goods, it makes a draft, the time for payment of which varies from thirty to one hundred and twenty days after sight. To obtain money for the payment of the American manufacturer, it is obliged to tie up in banks, as a margin, an extremely large amount, its contingent liability being always for the amount of its entire transactions until they are completed, this requiring five or six months. If a commission house does a business of \$200,000. per month, its liabilities will be at least \$950,000. to \$1,250,000. A great advantage will be afforded responsible American export houses by the new currency law, permitting the rediscounting of prime commercial paper, so that it will henceforth be able more easily to place a larger percentage of its transactions on a cash basis. To a very considerable extent, this will equalize the advantages heretofore enjoyed by European exporters, as European banks have been willing to offer unusual aid to the exporter, his paper being discounted very freely. This is largely due to the fact that in Europe the financiers have been more familiar with conditions prevailing in foreign countries, and find it to their decided advantage to encourage the exporters. Their risk, in reality, has been very small for the reason that shipments have been made to a great number of dealers in widely scattered places. A point that must not be overlooked in connection with

financing shipments to Latin America is that the American export commission house, in addition to assuming the payment of the bills of the American manufacturers, must also advance the money for handling the freight, cartage, lighterage, and for the prepayment of ocean freight. Naturally where a large business is transacted, this becomes a very important item.

How Export Commission Houses Serve American Manufacturers.

—When the American manufacturer is represented by an export commission house, he is relieved of all the petty details in connection with the forwarding of goods from New York, their proper routing and shipping. It is unnecessary for him to make an investigation of the credit of the Latin American dealers or a study of packing and custom house requirements, such details being furnished by the export house with the order. He receives cash in payment of his goods practically within ten days or two weeks from the time of shipment, and the entire transaction requires less care and thought than the handling of an order from customers in the United States. By reason of the volume of business done by the export commission house, the manufacturer may feel assured that his goods reach his customer more economically than if he shipped them direct on individual bills of lading. When the export house places many articles on one steamship manifest, the charges for handling are subdivided and as a rule the expense attached to individual lots is thus very much reduced. It is reasonable to assume that for this reason alone export commission houses will always be needed.

Marketing Goods Through Export Commission Houses.—When the manufacturer has determined that it is to his best interest to sell his goods in Latin America through export commission houses the following method may be adopted:

1. A list of the export firms located in New York, New Orleans, or San Francisco, should be obtained. They are found in the City Directories, which may be consulted in almost any public library or directory publishing house, while there are also specially compiled lists furnished by concerns whose business it is to sell them.

Other Sources of Names. A valuable publication which is issued annually is the "Export Trade Directory," one of the best means of obtaining accurate information concern-

ing the export commission houses and their fields. In this directory there appears a sketch of the principal export houses with an outline of the countries in which they do business, together with a list of merchandise in which they specialize. It is described on page 464. Another authoritative publication is the "Exporters' Encyclopedia." In this book are given shipping routes, directions for preparation of documents, etc. At the beginning of each chapter there is given a list of the principal export houses which trade with that country and although not complete it is nevertheless valuable. This volume is on file in the principal public libraries. It is also listed on page 464.

2. The manufacturer must consider which house affords the greatest advantages. He must endeavor to ascertain which concern can best serve his purposes; that is, whether only one organization can most efficiently care for his interests in all the countries or whether it would be better to cover one field through a certain house and other fields by still different concerns. The financial responsibility of the houses should be carefully considered, and the mercantile agencies should be consulted in advance for their ratings.

3. For the purpose of determining how the mutual interests of the manufacturer and the Commission House can best be served, letters should be written by the manufacturer to the firms determined upon and full details given regarding the following particulars:

- (a) The goods which it is desired to export.
- (b) Their points of superiority should be emphasized.
- (c) Adaptability to Latin American markets should be demonstrated.
- (d) Qualifications of the manufacturer to handle export business should be shown.
- (e) Willingness to attend to necessary details should be indicated.
- (f) Catalogs, price lists, and printed matter should be mailed.
- (g) Terms, discounts, and commissions should be specified.
- (h) Territory to be covered should be outlined.
- (i) The export house should be requested to give full details of its organization and its means for most effectively marketing the product in the given territory.

Need for Thorough Understandings.—For the best mutual interests of the manufacturer and the export commission house, there should be a thorough understanding on the following points which may be considered the basis of successful relations between the manufacturer and export house:

1. *Agreement Regarding Time.* The time to be allowed for the development of the business in a given territory should be specified. This is essential because of the varying conditions in the several republics. To develop properly a certain field requires a much longer time in one country than in another.

2. *Understanding Regarding Field.* There should be a distinct understanding relative to the field or territory to be worked. It is very unwise for the manufacturer to grant selling rights without specifying exactly what countries or cities are to be included in the territory. Latin America is so large that any manufacturer who wishes to make a consistent and logical effort permanently to establish a market for his goods must be specific and dare not deal in generalities. This cannot be too strongly emphasized.

3. *Methods of Marketing Must Be Determined.* The exact methods by which it is proposed to market the goods must be determined beforehand. The wise manufacturer will not leave to chance or to the mercies of an unsympathetic agent or correspondent the method to be followed in establishing a market for his product. It is of the utmost importance that the experience he has gained in the domestic field be turned into best account in entering the Latin American territory. The easier the path can be made for the representative, especially one unacquainted with the merits or peculiarities of the new line, the greater will be the sales, and the shorter the time required for its introduction. The representative of a responsible export house in Peru may achieve an extraordinary success with a given article while the agent of the same house in Chile may meet with complete failure. It is, therefore, of prime importance that the American manufacturer safeguard his representation most carefully and thus avoid pitfalls.

4. *Agreement Regarding Coöperative Work.* The kind of coöperative work between export house, importer, and manufacturer, should be decided upon. The wise manufacturer will encourage his export house connection, and in turn the latter's agents, in every possible way, by intensive coöperative work with the dealer.

This should take the form of developing prospects, of "following up" former buyers, and of obtaining additional orders from initial sales effected by the agent. This coöperative work should stimulate the agent to greatest activity and there should be no misunderstanding in regard to it after the business has begun.

5. *Understanding Regarding Other Sales Methods.* It should be determined whether the American manufacturer will solicit business direct in addition to his efforts through the export house. Many previous efforts to enter the Latin American field have foundered on this rock. Here again must the principle of coöperation be emphasized in advocating the development of "leads" or prospects for local agents to whom these are turned over. This policy will result in an infinitely greater volume of business if the manufacturers' efforts are directed towards supplementing those of the export house.

Results That May be Expected.—The representation of his product having been granted an export house, the manufacturer can only await results. The success with which the export house meets in placing goods in Latin American countries is naturally dependent upon the same principles that govern the sale of merchandise in the United States; their adaptability to the market, the ability to excel competitive lines or brands, the activity of agents, all are factors to be reckoned with. No manufacturer can reasonably expect an immediate return, nor, if the line is introduced simultaneously in all of the republics, can he expect equally good results from all. Local conditions differ so widely and there are so many factors that must be taken into consideration that the manufacturer must not be disappointed at a wide variance in results.

Failure Frequently Due to Multiplicity of Representations.—In their eagerness to do a large volume of business, many export houses frequently accept the agency for too many lines. This can have but one result. If the branch office, the local agent, or the correspondent of the export house is expected to scatter limited energies over too wide a field, it is certain that a keen disappointment awaits the manufacturer who believes that his interests are being properly cared for. In making arrangements with export houses, the manufacturer should have a very clear notion of the amount of time, energy, and thought that will be given to the

sale of his product. In the many instances where failure properly to introduce desirable goods in fertile fields was due to this cause, the manufacturers would have served their interests much better had they assured themselves beforehand that due attention would be given their products. It would have been infinitely better had they analyzed very critically their sales opportunities, and placed their representation, if necessary, with a different export house for every country. The fact that a certain export house is unusually successful in Peru does not prove that it will be equally so in Bolivia or the Argentine. The representative in the latter republic, by reason of his technical experience, may be much better qualified to sell cotton goods than machinery, and it is the duty of the manufacturer to ascertain that fact before it is too late.

Factors to Consider When Granting Agencies.—1. *In granting an exclusive agency* the manufacturer must make sure that his line will receive the attention which such an arrangement merits and that his product will be properly presented to the trade. The grant of an exclusive agency should be made with the utmost caution, for out of this have arisen some of the most notorious abuses known to the export business.

2. *An exclusive agency* should not be granted an export house for all of the Latin American republics unless the manufacturer is thoroughly convinced that the sales organization in each of the republics will be productive of equally good results. It is far better to proceed slowly and, if necessary, distribute the agencies according to the ability of the various concerns to market the maximum amounts of goods in the several countries. This is in direct ratio to the competency of the management and the efficiency of the sales organization in the field.

3. *Caution Necessary in Granting Exclusive Agency.* No exclusive agency should be granted to a concern whose reliability or responsibility is questionable in even the slightest degree. Many business men have been so misled by attractive stationery on which exclusive rights were solicited that they failed to observe the most ordinary precautions with which a sales arrangement in this country is considered. It is impossible to exaggerate the importance of making a very careful investigation beforehand relative to the financial standing of a concern applying for an agency. Even where no credit risk is involved the manufacturer

should guard against granting his representation, especially on an exclusive agency basis, to a firm that is in disrepute, and which would thus, indirectly, vitally affect his own business standing in Latin America.

4. *Agencies Obtained for Ulterior Purposes.* No exclusive agency should be granted unless the manufacturer is convinced that it has not been obtained for the purpose of keeping his goods or brands out of the market. Applications for exclusive agencies coming from the very best firms must always be closely scrutinized and subjected to the severest analysis. Many firms who ask for such agencies do so merely to protect an agency already handled by the same firm on equal if not better conditions than those offered by the firm of whom application is made. Innumerable instances are on record where exclusive agencies have been obtained and after samples have been submitted, even to responsible firms, a way was found to kill every possibility for the sale of the new product. Such efforts were, of course, in the direction of protecting lines previously introduced. Had the manufacturer not granted exclusive rights, or had he placed his agency with some other export house, his goods might have been successfully introduced.

Coöperation with Export Houses.—If satisfactory replies are received from the export houses and definite arrangements are made for the representation in one or more countries, the manufacturer should endeavor to coöperate to the fullest degree with the export house.

Mailing of Catalogs.—It should be ascertained how many catalogs are required, not only for the use of branch offices, agents and salesmen, but also for distribution to those importers whose business is to be solicited. It must be decided whether the manufacturer shall mail the catalogs to all lists to be furnished him by the export house or whether the export house itself will attend to the distribution.

Obtaining Names of Local Agents.—In order to coöperate most effectively with the export house an effort should be made to obtain the names and location of its branch offices, correspondents, or local agents. So much can be done by the manufacturer who is earnestly seeking to create a new market for his goods that it is of the highest importance that this information be obtained. Where an export house will make a sincere effort to introduce a

line, it should not be unwilling to supply this information. If a manufacturer has difficulty in obtaining this it should be sufficient evidence to him of but a half-hearted effort on the part of the export house.

Coöperation by Direct Correspondence.—Arrangements should be made with export commission houses providing for direct correspondence with dealers or importers. The purpose of this work would be: (1) To stimulate the efforts of the agents; (2) to develop new prospects for branch offices; (3) to second the effort of the local agents. This work is very desirable inasmuch as competition is becoming keener and it is essential to obtain a maximum of results with a minimum of energy and time.

How Previous Correspondence May be Used.—It happens not infrequently that the manufacturer has already received orders from a territory for which an agency arrangement is made. Such orders are probably the results of spasmodic efforts in the past, the distribution of catalogs, or the placing of orders in consequence of advertisements seen in export journals. Such orders should receive the careful scrutiny of the manufacturer, and copies thereof, together with copies of previous correspondence, should be sent to the local agent of the commission house and to the New York office. If the importer who has placed the orders is advised of the appointment of a local agent, a largely increased business may be expected. The result of coöperative work with exporters and taking advantage of every possible lead cannot be overestimated. If there is to be correspondence by the dealers direct with the house as well as through the agents, copies of all letters that pass between the importer and the manufacturer should be sent to the local agent. The efforts of the latter can be greatly aided by intensive follow-up work on the part of the manufacturer. An agent who may be rather indifferent to a certain line can be greatly stimulated by seeing the efforts which a manufacturer makes in his behalf. Too much stress cannot be laid on the importance of continuous and consistent coöperation.

Arrangements Should Be Scrupulously Observed.—Although all arrangements with export commission houses should be entered into very cautiously, once they have been made they should be scrupulously observed. One of the most frequent sources of complaint on the part of export houses and their correspondents

has been that American manufacturers, when they have thought it to their advantage to ignore such arrangements, have done so without hesitation and with no regard whatever for the efforts that have been made in their behalf by substantial and honorable houses. This abuse takes the form of the manufacturers' filling orders received direct from the dealer or importer in Latin America without notice to the commission house, whose efforts, not infrequently, were the direct cause of the order having been placed. The missionary work of its traveling and local agents or branch offices often bears fruit months after direct solicitation, this being one of the peculiar features of Latin American business. An agreement covering the sale of goods in a certain specified district should not be ignored for the sake of a possible profit on an isolated sale, and a liberal, broad-minded policy is by far the best. The export commission house should be allowed credit for any orders received direct by the manufacturer, and the greatest care should be taken that sales made in its territory are properly credited to it. In such cases the New York office should be notified immediately upon receipt of the order, and notification likewise mailed to the local agent or the branch office or correspondent. It can be readily understood that this policy will result in a great additional amount of business, and although the manufacturer might seemingly profit by withholding credit to a commission house, the other more liberal policy would ultimately prove the more beneficial.

How Manufacturers Should Protect Export Commission Houses.

—The importance of protecting the export commission house cannot be exaggerated. Numerous misunderstandings that have proven most disastrous to a nicely developing business have arisen out of the policy of American manufacturers distributing catalogs containing prices and discounts quite at variance with those quoted the export house. The honest and conscientious export concerns that are trying to serve the best interests of an American manufacturer should not be placed in the embarrassing position of confronting quotations received direct by one of its clients from the manufacturer which may be entirely different from that warranted by its agreement. Such methods cannot but reflect discredit not only upon the individual manufacturer but upon American business methods generally.

How Inquiries Should Be Handled.—When arrangements are made with an export house it should be determined just how inquiries for catalogs, prices, and discounts shall be handled. If catalogs are mailed, they should contain full information as to how the business is to be conducted and whether orders should be mailed direct to the manufacturer or to the export commission house. An agreement with the export commission house should leave no doubt whatever in regard to these points: (1) whether the manufacturer shall mail the catalogs and quote prices with discounts; (2) Whether such quotations shall be made by the export house.

Objections to Export Commission Houses.—Although the many desirable advantages offered by export houses have been noted, their importance may be exaggerated. As has already been indicated, export commission houses do not always originate orders, and frequently merely execute them after they have been received from their clients. The only facility that many export firms offer is that of forwarding catalogs to their correspondents, and in such cases, particularly where there is no local representative on the ground to push business, the results may be very disappointing. These depend largely, therefore, on the attitude of the dealer to whom the catalogs are sent and are even more marked where the export house has its own salesmen. Many export houses handle such a wide variety of articles that it seems an utterly hopeless matter for a representative to form even an adequate idea of the goods, their advantages and desirable selling features.

Export Houses Generally Excel in Certain Lines.—The nature of the export business is such that as a rule practically every sort of manufactured product that can be sold abroad is handled. It can be readily understood why it is most difficult for the representative of an export commission house to have a thorough knowledge of all the goods that he offers. If such a representative is well posted in certain branches of business he will undoubtedly meet with far greater success in introducing a new line of merchandise akin to his specialty than would otherwise be the case. The result of this policy is the sale of particular lines of goods in certain cities or districts and, frequently, of an entirely different sort of merchandise in other cities in the same republic. A mis-

understanding of this fact is one of the chief causes of failure in marketing through the export house.

New York Offices of Foreign Houses.—As a direct outgrowth of export commission house connections, there have been established in the past few years, principally in New York City, agencies of many Latin American firms. In consequence of the growth of their business it has been found advantageous by many Latin American houses to replace the commission house with their own personal representatives. These representatives maintain offices and serve their main house in many important directions. They buy of American manufacturers orders which they receive from headquarters for every conceivable kind of merchandise. By very close attention to details and supervision, concessions are frequently obtained in the shape of discounts, prices, and profits in general. The duties of the resident agent of such houses are similar to those of the export commission house. They include not only the placing of the orders, but attention to all details of shipping, freight, rates, handling and adjusting of claims, and, not infrequently, the payment of bills.

Increasing an Established Business Through Export Houses.—Many manufacturers transact a certain volume of business through export houses. These sales may be confined to certain countries or to certain portions of a country, and very often a greater volume might easily be done if the right effort were made. The manufacturer who has established such connections with export houses should seek by every possible means to increase his business. In order to determine the necessary steps to take he should do the following:

1. Ascertain definitely to which countries goods are being shipped.
2. Learn in which sections of the republics the sales are largest.
3. If the product is salable in other countries, ascertain why no business is forthcoming from those countries or districts.
4. Consider the best means of developing prospects by direct correspondence which may then be given to the agents of the export house for attention.
5. Confer with the export house and agree upon a plan for more effective methods of solicitation.

6. Arrange to correspond with the export house agents.
7. If the export house cannot furnish adequate representation in all countries or districts, endeavor to make better arrangements with other exporters.

PROBLEMS IN EXPORT HOUSE MANAGEMENT

Initiation of Orders or "Indents."—So many misconceptions prevail regarding the conduct of an export house, its expenses and profits, that the following outline will enable the reader to gain some idea of the difficulties daily encountered in the transaction of business with Latin America. The keen competition and the necessity for a large volume of business compels vigorous solicitation by the export merchant through local agents, by cable, by correspondence, or through traveling representatives. While many unsolicited orders (or "indents," as they are known to English houses) are received, the export merchants (who in many instances operate for their own account virtually as jobbers) are compelled to render much service incidental to sales. The number of articles sold is usually very large, it being necessary to take advantage of every possibility, markets frequently being too restricted to permit of concentration on a few important items. Some of the developments of the export business which are proving a source of great expense are the quotations now exacted of export merchants by their foreign clients.¹ For the purpose of retaining the good will of the latter the export merchant must watch market changes in order to give prompt cable notice thereof to his customers, and must study trade and merchandise possibilities to be able to offer promptly the most salable merchandise. As cabling is very expensive and the cost of correspondence is likewise high, this becomes a serious burden. Foreign merchants often ask quotations of export houses which the latter are compelled to supply with no definite prospect of business. As the calculations necessary to make such quotations are greatly involved, requiring the service of technical experts who must be employed for this particular purpose, an added expense to the export merchant must be considered.

¹See John F. Fowler, in the "American Exporter."

Extension of Credit.—The export commission merchant must be thoroughly familiar with the firms with whom he transacts business. It is not only essential that he know whether there is a solid basis for credit, but, of even greater importance, whether the drafts which accompany documents are promptly met at maturity by the buyers. In some instances even large firms who apparently are successful abuse the exporter by not meeting drafts promptly, thereby causing serious inconvenience to the shipper who has discounted these documents with his banker and who may be suddenly called upon to pay drafts which have thus been dishonored. The continued failure by an exporter's clients to meet such drafts will seriously affect the latter's standing with the concerns to whom he has sold their paper. The same methods of obtaining information regarding foreign clients are followed by the export merchants as by manufacturers who deal direct. In any event, a heavy demand on the credit facilities of the exporter is made by the foreign buyers, particularly those located in Latin America.

Misunderstanding Regarding Terms.—The matter of terms is one that frequently occasions the exporter much trouble. The reasons therefor can be easily understood by reference to Chapter XII. There are many possibilities of either honest or deliberate misunderstanding of the terms F.O.B., C.I.F., and C.I.F.&E. Unprincipled merchants or concerns of good credit standing who are inclined to sharp practice, if to their advantage, deliberately misinterpret quotations and not infrequently hold shipments subject to order for the purpose of obtaining rebates. This is often done in the event that market conditions become unfavorable between the time of shipment and arrival at destination. Difficulties also arise as a result of delay in obtaining shipping room or in consequence of delay in the departure of a vessel.

Delays in Payments.—Export merchants, like manufacturers who ship direct, are compelled in certain countries to make shipments on open account. This applies particularly to Cuba, Porto Rico, Mexico, and certain places in Central America. Merchants who buy on such conditions, even when a definite time of payment has been agreed upon, often fail to make prompt settlement and the loss of interest by reason of the delay always falls to the lot of the exporter who paid for the merchandise before

forwarding it to Latin America. When shipments are made against drafts drawn at sight there is also possibility of delay, as importers insist upon the arrival of the merchandise before accepting the draft and the loss of interest thus occasioned must also be borne by the exporter. Drafts drawn at a certain number of days sight and duly accepted frequently are not paid when they mature, because conditions are unfavorable in the matter of exchange or for some other reason. The protest of such paper is very expensive and ineffective. The payment of drafts may also be refused because of errors that have been made by employees of the shipper or of the interior manufacturer, and the export merchant is compelled to suffer the loss which often cannot be recovered from the original shipper who disclaims all responsibility. Such errors occur despite the attention of high-salaried employees whom all export houses who transact a volume of business must employ.

Shipping Details.—The importer of Latin America expects the export house to obtain the very lowest freight rates and it is the duty of the exporter to keep a close watch on ocean rates, which are subject to great fluctuations. If any errors occur they are quickly detected and charged to the exporter. The matter becomes very complex, particularly in the case of consignments in which are included many kinds of merchandise subject to varying freight rates. In Chapters X and XI is an outline of the requirements for invoices and other shipping documents, all of which must be carefully observed and complied with by the export merchant. The latter's problem is more complex than that of the manufacturer who ships direct, as orders frequently call for merchandise from many different manufacturers whose shipments arrive at different times but must all be assembled and forwarded together on one bill of lading. The duties of the export merchant are particularly onerous when shipments from the interior are delayed, inasmuch as these may retard the forwarding of many other items on the same order. If the arrival of such delayed shipments is counted upon to take advantage of a steamer sailing, further trouble is possible. This is due to the fact that the time required for the preparation of the many documents is limited. This applies not alone to consular papers but to bills of lading, commercial invoices, etc. The consuls of foreign countries often maintain very short office hours which make it difficult for

the shipper to obtain signatures to the documents in time for the proper dispatch of the papers. The consular invoices, which must be supplied in original with a varying number of copies, have to show metric weights, and the conversion of these from the avoirdupois weights furnished by manufacturers is often a very difficult problem, requiring considerable time to insure accuracy. The commercial invoice must also be carefully written in order to avoid custom house complications, and must be such that the Latin American importer may easily understand it and check the shipment without difficulty. The bill of lading, which cannot be obtained until many requirements of the steamship company have been complied with, must often be supplied to the foreign consul for his signature. Clearance papers are needed before shipments can be dispatched and all of this detail requires considerable time. The greatest accuracy is essential, especially in the translation of the description and the classification of weights, which must agree in all the papers.

Banking Documents and Their Dispatch.—After all the requirements in reference to the shipment and clearance of the goods have been complied with, the preparation of banking documents follows. In order to insure the forwarding of these by the same steamer which carries the shipment special efforts and very rapid work are often required. This is so vital because importers cannot obtain possession of shipments that are made against documents until the latter have been accepted or paid, and if by any chance the necessary shipping papers are delayed, the shipments may be placed in storage for several weeks until the papers arrive. Some idea of the exertions required to guard against this possibility may be obtained from the knowledge that steamers often carry hundreds of lots from the same export merchant, the documents of which have had to be prepared in the manner outlined above. Very often the papers must be sent in the bag of the steamship agent, which is the last to be placed on board, having been completed too late for the mail.

Keeping Export Accounts.—It will be realized, from the amount of detail required to handle Latin American business properly, that much bookkeeping is necessary. This is far more difficult in the case of export merchants who are compelled not only to buy for the accounts of many customers, but to make against them

drafts at varying maturities, which documents they sell for the purpose of financing the transactions. The account of cartage, freight transfer, and other charges, alone is a large one, and the calculations of ocean rates on the different classes of merchandise shipped is still more serious. The necessity for absolute accuracy is emphasized by the complexity of calculations in C.I.F. and C.I.F.&E. transactions. If difficulties with customers are to be avoided, the calculations, even after a thorough understanding of terms, require the greatest care. This is particularly so in figuring accounts in which the question of exchange is involved, inasmuch as importers frequently seek to compel the exporter to pay the exchange and commission.

Profits of Export Houses.—American manufacturers who have no knowledge of the workings of export merchants from whom they frequently receive orders for the products, mistakenly imagine that the exporter makes very large profits which are denied to the manufacturer. In reality, the profits are small considering the hazards of the export business, the great possibility of error, the technical knowledge necessary to conduct it, and the thorough understanding of the business methods and conditions in Latin American republics. The most successful export merchants today depend for their profits largely upon the volume of business they transact and grant to their clients all discounts which are received from manufacturers. The charge for service in placing the orders, financing the accounts, and dispatching the merchandise varies. On goods that are very bulky it is as low as 1 per cent. and sometimes less; where the merchandise is staple it is $2\frac{1}{2}$ per cent.; and in ordinary mixed lines it is 5 per cent. The interest charged by the exporter to the buyer of Latin America is 6 per cent., and this is very much lower than the rate which the latter would have to pay to local banks. When an export house undertakes the introduction of an American product special arrangements for a selling commission are made, but even in such instances the manufacturer would find that direct representation in the Latin American markets would be far more costly than transactions through the export merchants.

Coöperation Between Export Houses and Manufacturers.—In considering the service which export houses have rendered to American manufacturers and the fact that because of the service

they render to buyers they will continue to be an important factor in the Latin American trade, the need for coöperation and a better understanding is evident. The alert manufacturer will take advantage of every possible means to market his product and much can be accomplished by proper coöperation with export merchants. The latter should always be taken into consideration in a selling campaign, inasmuch as it is almost certain that many buyers in Latin America who may be interested in American products would prefer to buy from an export house rather than direct. For this reason, their position in export trade should be thoroughly understood, and instead of being a detriment they can be made, if the work is intelligently planned, a valuable addition to sales efforts.

What the Export Agent Is.—With the development of the export trade has come the establishment of manufacturers' export agents. Like the export houses, they are located in the seaboard cities, and act as the representatives of manufacturers. They sometimes likewise assume the duties of the representatives of foreign dealers.

Duties of the Export Agent.—The principal duty of the export agent is to act as a salesman. It is his business to keep in touch with and visit the export commission houses to obtain such orders as may be placed by the export commission house for the goods of which they control the sale. They likewise distribute the literature of manufacturers, such as circulars and catalogs, in addition to samples, where it is practical to do so. By these means they serve to further the interests of the manufacturer with the export house as they can create for the manufacturer a greater demand for his goods. Manufacturers' export agents, where they act as correspondents of Latin American houses, also execute orders for such American products as may be received from the Latin American correspondents, usually large importing firms.

The export agent can likewise confer with visiting merchants from Latin America who may happen to be in New York. He may display for the benefit of those interested such samples as the manufacturer may desire to show. He may also attend to correspondence with the Latin American dealers, should the American manufacturer prefer to have his business done in that way.

Other Functions of the Export Agent.—In addition to the duties outlined in the preceding paragraphs, it falls to the lot of the

export agent to prepare papers covering the shipment of goods exported to Latin America. This is a very important work requiring the utmost competency and a thorough knowledge of local conditions throughout Latin America. The customs laws are different in each republic, and the regulations of custom house officers differ so widely that an expert in the preparation of shipping documents can frequently effect very important savings. Another detail to which the agent can give his attention is the forwarding of goods, making arrangements for the carrying of the merchandise by the steamship lines, combining shipments under one bill of lading, placing the insurance, etc.

Why Manufacturers' Agents Handle Various Goods.—The very nature of the work of an export agent makes for great familiarity with many classes of merchandise. By reason of his daily visits to export commission houses, he is in such touch with the export situation that opportunities of obtaining business for many different lines of goods constantly present themselves to him. After the agent has succeeded in placing with the various commission houses the products of the manufacturer he represents, it is his duty to keep in touch with and endeavor to secure the coöperation of export house correspondents and agents, for the purpose of increasing the sales. Because of the wide range of merchandise handled by the export houses, the manufacturer's agent is able to secure business for many distinct lines. His success is in direct ratio to his knowledge of conditions and the energy with which he pushes the sale of the products he represents.

The Payment of an Export Agent.—A manufacturer who has not engaged the service of an export agent is naturally desirous of knowing what salary or remuneration is expected by an agent. This depends upon many conditions but is based on the volume of business done and his service to the manufacturer in the matter of forwarding goods, etc. An agent who represents a number of firms can naturally make his charges to each much smaller than if he were representing one concern exclusively. Many of the most successful arrangements have been made on a basis of part salary and part commission.

How to Obtain a Good Export Agent.—The rules that have been cited for opening correspondence with an export commission house apply with equal force to the engaging of an export agent. The

first step is the obtaining of a list of the names. Such a list is available in the directories. References should invariably be required and full information exacted in regard to the duties performed by the export agent. A very effective means that is frequently employed to obtain an export agent is the insertion of appropriate advertisements in the Want columns of New York newspapers. The "Export Trade Directory" may also be consulted.

Manufacturers' Coöperation with Export Agents.—After arrangements have been made by the manufacturer with the export agent, he should endeavor to obtain the fullest value in the way of service. The export agent should be supplied with catalogs, circulars, and price lists. He should be asked to inform the manufacturer of the very best means of furthering his business, and suggestions made by him should be studied very carefully. Coöperation should be the watchword with the export agent as with the export house.

Questions to be Asked Applicants.—In order that no mistake may be made in granting an export agency, the manufacturer should invariably insist upon the fullest knowledge regarding the character, ability, and responsibility of the agent. In addition, he should be requested to state what goods he is handling, how long he has been handling them, in what countries his principal correspondents are located and for what fields he offers the greatest sales possibilities.

CHAPTER VI

TRAVELING SALESMEN. GENERAL AND LOCAL AGENTS

TRAVELING SALESMEN

Advantages of Personal Representation.—The most effective means of obtaining business in Latin America is through traveling salesmen. This is recommended by all American Consular Officers, trade investigators, Chambers of Commerce, and by firms who have been most successful in establishing a trade in Latin America. Notwithstanding the oft-repeated advice, many thousands of dollars are annually wasted upon useless catalogs and misdirected campaigns by mail. The fact that Latin American business men are known to be conservative makes it even more essential that an effort to establish permanent business in the southern republics should be based on direct representation. A traveling representative should have a thorough knowledge of the products that he means to sell, a willingness to conform to the customs of the people in the countries that he will visit, and he should have, if possible, a knowledge of their language. The advantages of proper representation are obvious. The representative may not only effect actual sales, but may serve as an investigator for the purpose of obtaining all facts in regard to distribution of an article, its prospects for future sale, foreign competition, and peculiar local trade conditions. He can also make adjustment of claims that may arise, appoint local or general agents, outline territories, and obtain for the manufacturer the good will of the dealers whom he visits.

Difficulties of Direct Representation.—The problem of creating an effective sales organization for the domestic market is intensified in the case of the Latin American trade. This is due to the following causes:

1. The difficulty of obtaining reliable, experienced or competent men.

2. The vast extent of the Latin American territory to be covered.

3. The high expense of traveling in the Latin American republics.

4. The time required to place the business on a remunerative basis.

5. The lack of knowledge of the average business man relative to the best trade field for his particular product.

6. The time and expense required to train applicants for positions as salesmen. Notwithstanding the drawbacks outlined, it will still be conceded that the most practical and successful way of building business with the southern countries is to send trained men, possessing both a knowledge of the goods that they are selling and an acquaintance with the customs and life of the Latin American people. There is no other means which can establish so quickly the business of a manufacturer on a paying basis, as the traveling salesman.

Necessary Qualifications.—The merchant who seeks to extend his business should carefully weigh the qualifications of the men whom he contemplates sending as his representatives. In this instance, again, his best interests will be served by delaying until he can obtain an efficient man in preference to sending the first applicant in too great haste to obtain results. Following are the qualifications which should be insisted upon by the merchant desiring to serve his best ends:

1. *Absolute Dependability.* It is very important that the manufacturer satisfy himself in advance of the absolute reliability of the representative since so much more is expected of him than would be the case in the United States. Innumerable instances are on record where this has not been done, and as a consequence excellent prospects which the manufacturer may have had were ruined. Samples should never be sent merely upon request, and no money should ever be advanced unless the applicant demonstrates his reliability. The greatest care should be taken to insure strict sobriety.

2. *Adaptability.* He must be able readily to adapt himself to the very different conditions in the countries he is to visit. Many otherwise competent men have proved failures because of their unwillingness to recognize this and their inability to transact

business in the very different way in which it is carried on by the Latin Americans.

3. *Thorough Knowledge of the Product Sold.* No man should be sent to Latin America who does not possess a thorough understanding of the articles he is to sell. Latin American merchants are very keen traders, and expect the man who wishes to sell them goods to know all about the products that he may explain them thoroughly. An inability to do so results disastrously for the manufacturer.

4. *He Should Speak Spanish and Portuguese.* The advantages of a knowledge of languages are obvious. An effort should be made by the manufacturer to obtain a man who has at least some knowledge of Spanish and, if business in Brazil is contemplated, of Portuguese. The Latin Americans consider it a compliment to be addressed in their own tongues and it is far easier to obtain and hold their attention when they are spoken to in Spanish, or Portuguese, as the case may be. An ability to use their language, combined with expert knowledge of the product sold, is almost certain to result profitably. However, a failure to speak the languages need not preclude success if the representative possesses the other qualities mentioned, which are indispensable.

How to Obtain Representatives.—It is an admitted fact that the difficulty of obtaining reliable men for the Latin American field is very serious. The remuneration expected by experienced men is high, and the average American manufacturer does not feel justified, particularly in the first stages of his export experience, in incurring such a heavy expense. Nevertheless, it is possible to obtain competent men at moderate cost and with the increase in Latin American trade it will become less and less difficult. Some of the means are as follows:

1. Advertising in New York newspapers.
2. Advertising in Latin American local papers.
3. Correspondence with commercial organizations.
4. Coöperation of export and trade journals.
5. Correspondence with banks or commercial houses in Latin America.
6. American consuls.
7. Training the representative.
8. Correspondence with universities.

9. Watching the trade opportunities column in "Daily Commerce Reports," and similar departments of trade, technical, and export journals.

1. *Advertising in New York Newspapers.* By reason of its large population and its enormous export business New York City attracts a great number of men competent to act as representatives. Advertisements placed in one or more of its principal papers are usually productive of results. An advertisement should state in detail the exact requirements of the manufacturer and the territory it is desired to cover; the applicant should be requested to state his experience and reference should be exacted. The latter requisite cannot be too strongly insisted upon, as great losses have resulted to exporters who have shown too great an eagerness to accept without investigation the claims of applicants for positions as travelers in Latin America.

2. *The Use of Latin American Local Papers.* Another method which has been found very successful by American manufacturers has been the use of the principal dailies in the large Latin American cities. This means is especially useful where it is desired to obtain representatives for a local market. It has its advantages in that the manufacturer can reach a much larger number of prospective agents than in any other way, and it can be especially recommended where definite arrangements can be made by correspondence. A list of the principal papers in Latin America with their advertising rates may be found in the Appendix. Letters to these newspapers may be written in Spanish or English, and the cost of the advertisements may be covered by international post office money order or New York bank draft.

How an Advertisement Should be Worded. In order to save time it is recommended that a form containing all necessary questions be sent to every applicant for a position. This form, for the purpose of economy, should be in both English and Spanish.

3. *Correspondence with Commercial Organizations.* The development of Latin American trade is, in a large measure, due to organizations which have rendered valuable service to the exporter. Among these may be mentioned the National Association of Manufacturers, New York City, and the Philadelphia Commercial Museum, Philadelphia. The bulletins of these organizations contain announcements of dealers in Latin America who

wish to represent American manufacturers. The efforts of these organizations are supplemented by their representatives in the principal Latin American cities. An example of this class of organization is the Chicago Association of Commerce whose representatives did very successful work in Buenos Aires until the office was taken over by the American commercial attaché. The United States Government also lends its aid through its commercial agents in the principal American cities. In the "Daily Commerce Reports" frequently appear inquiries from foreigners who wish to act as representatives of American concerns.

4. *Coöperation of Export and Trade Journals.* Many export and trade journals receive letters from individuals and firms in Latin America who desire to represent American firms. Such applications are referred to interested manufacturers and are usually made a part of the service rendered in connection with advertisements.

5. *Correspondence with Banks and Commercial Houses in Latin America.* Letters in which the requirements are specified addressed to banks and important commercial houses are often productive of results. Such letters should invariably be accompanied by international post office coupon for reply.

6. *Aid of American Consuls.* American Consuls are often requested by natives or foreign residents in their districts to obtain agencies for American manufactures. By addressing consuls and stating in detail the requirements, valuable connections are often made.

7. *Training the Representative.* Owing to the difficulty of obtaining reliable representatives in the Latin American fields, many American manufacturers have adopted the custom of educating men in their own establishments for the purpose of sending them to Latin American countries. In this they are wisely following the example of the German manufacturer who is famous for his thoroughness and attention to detail. This method may be highly recommended, and the best type for the purpose is an ambitious young man who possesses a good character, adaptability and an easy suave manner.

How to Train a Representative. Having selected a man, he should be urged to equip himself as quickly as possible. He may do this while being trained in the business, its technical details, etc.

Thoroughness should be absolutely insisted upon, as a lack of attention to detail has been frequently complained of by export houses of New York as one of the greatest deficiencies of American business. A brief course of study that may prove valuable is as follows:

(a) Languages. Spanish and, if Brazil is to be visited, Portuguese. In almost every city there are native teachers who can give such instruction. The intelligent student with the aid of grammars and readers will be able to obtain at least sufficient acquaintance with the language that he may make himself understood. The best grammars, readers, etc., are listed on page 470.

(b) Geography. This is a study about which Americans, as a class, are woefully ignorant. Approached from the commercial standpoint it becomes fascinating. A thorough study should be made of the geography of the region it is intended to visit and of its waterways, ports, cities, and means of communication. Some excellent books on this topic are listed on page 473.

(c) Books. The best books available which deal with the countries and their inhabitants should be read. A knowledge of the history and literature of the Latin American people will prove of great value. An ability to refer to such topics in conversation will aid in quickly establishing intimate relations with the Latin American buyer and will be helpful. A list of the best books dealing with the various countries is found in the Appendix on page 474.

(d) Reports on Trade Possibilities. All available reports regarding the products whose sale in Latin America will be undertaken by the representative should be carefully studied. These reports are referred to in the Appendix and will be found very helpful in acquainting the prospective traveler with conditions which vary widely in the different countries.

8. *Correspondence With Universities.* An increasing number of universities and schools are adding courses of training in Latin American affairs or include in their courses of Economics and Business Administration, lectures on Commerce with Latin America.

From these institutions may be obtained the names of young men who wish to travel in the Southern Republics.

9. *"Trade Opportunities" Columns.* In the "Commerce Reports" and in pamphlets and bulletins issued by many trade organi-

zations are found applications of individuals in Latin America who wish to represent American houses.

Before the departure of the traveling representative the head of the firm should make certain that his representative possesses a thorough knowledge of his products and all the conditions surrounding their manufacture, that he may be able to answer intelligently all questions put to him by the alert Latin American dealer. This knowledge should be so complete that he will not be at a loss for intelligent answers when serious problems arise. All questions relative to terms should be settled, the sales methods to be employed and a definite business policy should be determined upon. Unless the manufacturer feels that his representative is capable of being in reality his personal representative, he should not be allowed to depart. This is strongly emphasized because of the general lack of thoroughness of American business men.

Knowledge of Business Previously Done.—It will be found invaluable to supply a salesman with all details regarding the business previously done in the Latin American territory about to be visited. This should be given him whether the sales have been made direct or through export commission houses. By using this information a salesman can make more rapid progress than otherwise. Being thoroughly acquainted with the facts, he is in position to render more valuable and intelligent service. If the product is machinery or a mechanical device of any sort the representative should have a thorough knowledge of its working in order that he may demonstrate it in operation. Sales have frequently been made simply because the representative knew how to demonstrate the advantages and benefits of his machinery, and many instances are on record where the loss of sales was due solely to the representative's failure to inform himself thoroughly about parts of a machine and their operation.

The Value of Letters of Introduction.—The importance of carrying letters of introduction cannot be exaggerated. They are of extraordinary use in enabling the representative more quickly to establish friendly relations with buyers. Friendship plays such an important part in the life of the Latin American dealer that any means which can be taken to bring about intimacy more quickly should be adopted. Letters of introduction should be addressed as follows:

1. *To Leading Merchants.* Letters to leading merchants who sell the product it is desired to introduce should be signed by the head of the Company.

2. *To Prominent Banks.* Their names may be obtained either from the bank with whom the Company does business and who has correspondents in the Latin American countries or from the New York correspondents of the manufacturer's bank, who are sure to have these connections.

3. *To American Consuls.* A general circular letter of introduction to the Consuls may be obtained through the local representative in Congress. The representative should use this letter immediately upon arrival and before attempting to do business. In the event that specific aid is desired of a Consul a special letter of introduction should be addressed to that official. Consuls are often called upon to sponsor American travelers and embarrassment may result for lack of proper credentials.

4. *Miscellaneous Letters.* These may be obtained from houses, who already have an established business, to their agents or representatives in the different Latin American countries. A representative who carries such letters will find them of great value in obtaining recognition, particularly on the part of the larger importing firms, many of which do a vast business, and whom it is correspondingly more difficult to interest on account of already established relations.

5. *General Letter of Introduction.* This should be addressed, "To whom it may concern," and should ask consideration for the traveler.

Letter of Authority.—Traveling salesmen in Latin America frequently find it desirable to show unmistakable authority for certain procedure. A simple letter setting forth the authority of the representative may prove highly valuable in a crisis. When the representative is given power to make collections or merely to take orders, the authority should be specifically defined. In order to make such instructions valid, the signature of the manufacturer who grants it should be certified by a notary public whose authority in turn is acknowledged by the circuit clerk, the governor of the state, and the secretary of the United States, each in their turn, and by the diplomatic representative of the country in which it is to be used.

Credentials of Business Organizations.—Too many letters cannot be obtained. Among useful letters is a communication on the stationery of the local board of trade, bearing the official seal and signature of its officers.

The Value of a Passport.—Although a passport is not essential, it may occasionally be found of value as a means of identification. As it is not difficult to obtain, every traveler should provide himself with one. It may be obtained by addressing a letter to the Department of State, Washington, D. C. The cost is \$1.00.

The Value of Advance Letters.—The sending of letters in advance of a salesman is very important. Particularly is this so in the case of a concern making its first attempt to secure Latin American trade. The letters should be properly couched, and may be accompanied by dignified advertising matter. This matter should be of the nature to inspire confidence in the manufacturer's products and his ability to furnish what is required by the Latin American. Advance letters should be carefully timed in order that they may not reach the recipient too far in advance of the representative's visit. These should be sent only to such dealers as will presumably offer a good field for his efforts. Great care should be taken not to address letters to dealers who may prove unworthy, inasmuch as this results in needless expense. The reasons for this are fully outlined in Chapter XVI.

Preliminary Advertising Campaigns.—If a satisfactory list of dealers is available or can be compiled before the salesman's departure, a preliminary publicity campaign will prove of great value. This should consist of a series of letters and mailing pieces to pave the way for the representative. An intensive distribution of such advertising matter is far more effective than indiscriminate mailing to names that are taken from lists without investigation. If this work is properly done, it will greatly increase the effectiveness of the salesman's introductory work and result in a larger percentage of business than without such a campaign.

The Development of Prospects for Salesmen.—It has been the experience of many successful concerns who have established business relations with Latin America that it was preferable to do some business by mail first, and to develop as large a number of prospects as possible before the actual sending of the representative. The reasons for this were twofold: (1) it afforded a

knowledge of the goods most in demand; and (?) it enabled the representative to economize time and expense in effecting sales after he arrived in the field, as he was able to devote his energies to those who had shown an interest in the products. In every case the salesman should be supplied with copies of the important letters that have passed between the buyer and the exporter and of the orders that have been filled. Scrupulous attention to such details will result in great saving.

What a Salesman Should Carry.—As traveling in Latin America is expensive, care should be exercised that useless material be omitted. There are certain requisites which must invariably be carried. These are:

1. *Stationery.* It will be found highly desirable to carry stationery which is dignified and representative of the firm. If much correspondence is to be done, the paper used should be of light weight in order that the cost of postage may be reduced, as this is five cents for one-half ounce. In order to avoid waste only limited amounts should be carried, and new quantities should be mailed from time to time.

2. *Advertising Matter, Catalogs, Etc.* These should contain information regarding the products, the prices, discounts and terms. The number carried should be limited and only such quantities taken that they may remain clean until distributed, and until other supplies can be received at various points according to schedule.

3. *List of Dealers.* The representative should be supplied with a list of dealers in the places that he is to visit. These lists should be compiled with most extreme care as outlined in Chapter XVI. Under no circumstances should there be omitted the names of dealers with whom business has already been done.

4. *Schedule of Mailing Points.* A schedule of the places to be visited should be compiled with infinite care in order to insure the receipt by the representative of all mail and parcels. This is of extreme importance, inasmuch as the failure to receive remittances on which dependence is placed may result in embarrassment. The loss of valuable information regarding prospective customers would also prove detrimental. In preparing this schedule, care should be taken to allow for unexpected delays in the arrival and departure of vessels on their itineraries. Information regarding the dispatching of mails may be obtained from the Post Office

Department at Washington and New York, although upon application to the local post office, postal schedules and mailings to Latin American countries may also be obtained.

5. *The Importance of Carrying a Cable and Telegraph Code.* As time is an important factor in the relations between the United States and Latin America, a code to reduce the cost of communication will be found invaluable. This may prove especially useful in revising the schedule of mailing points because of unexpected developments while the representative is in the field. There are a number of codes suitable for the purpose, and one or more of them should be carried. Once a code has been determined upon it will be found valuable to print on the stationery of the concern the fact that it is used, in order to enable the dealers in Latin America to communicate easily with the exporter.

6. *The Importance of Carrying Sufficient Funds.* Because of the danger of nonarrival of mails or delay in the transmission of letters, a salesman should carry funds or documents which will make it possible for him to keep supplied with necessary money. A niggardly policy on the part of the exporter may result disastrously. Not only does it prove extremely embarrassing to a representative in a foreign country (particularly on the first trip when his relations are in formation) to find himself short of funds, but it reflects greatly upon the character and standing of the house that he represents, to have the salesman forced to apply to merchants for loans, and it is also inadvisable to incur the expense of cable messages relative to remittances. Unless the exporter is willing to expend a certain sum of money for a given time and to see his representative safely through, no matter what the results, the attempt should not be made in the first place.

Methods of Carrying Money.—1. *Letters of Credit.* Everywhere in Latin America letters of credit on New York are accepted and cashed without question. In the past, in certain of the republics, notably Chile, Peru, Bolivia, and Ecuador, it has been preferable to use letters of credit in pounds sterling on London, because thereby the loss in making the exchange was less on account of the circulation of the pound sterling, which in many countries of Latin America is legal tender.

2. *New York Bank Drafts.* These are almost invariably accepted at par by banks in Latin America and only a slight charge

for the service is made. In consequence of the European War, conditions changed to such an extent that drafts upon New York are in demand and, in many places, at a premium. In many instances the charge is waived. Before cashing drafts the traveler should visit several banks and business houses in order to obtain the most favorable rate.

3. *Express Money Orders.* These have been found very convenient, especially when carried in small denominations.

4. *United States Gold and British Sovereigns.* This money may also be used, but the disadvantages of carrying any quantity thereof are obvious. It is, however, well to be supplied therewith.

The Difference in Moneys.—The careful traveler will bear in mind the difference in the various moneys of Latin America. In traveling from one republic to another, care should be exercised to make the exchange of American money into the currency of the country, so as to have as little surplus as possible at the time of departure. This will insure against losses in the exchange of the currency of one country for that of another, and is especially important because of the wide fluctuations in the currency of certain of the republics.

Proper Sample Trunks Important.—The proper kind of trunks to be used in traveling in Latin America should be carefully considered by the manufacturer or exporter. The conditions of travel vary so widely, and such rough handling is received, that the construction of the trunk is of extreme importance. It must be built with a consideration not only of its weight, but also of the usage to which it will be subjected. On many railroad and steamship lines a charge is made for each pound of baggage or for a weight beyond a certain very low maximum. It is subjected to handling in all sorts of weather, ranging from heavy tropical rain storms to the snows of the mountain plateaus, and from lighterage on leaky tugs to the vicissitudes of muleback transportation through streams and on narrow mountain trails.

The Character of Trunks.—If a salesman is to visit only large cities accessible by the most modern steamships with all the highly developed equipment for handling freight, such as Rio de Janeiro, Buenos Aires, or Montevideo, it matters little what may be the character of his baggage. In striking contrast to these cities are

the remote places in the interior of Colombia, Bolivia, Chile, or Mexico. To reach them it is necessary to resort to the most primitive sort of transportation, such as oxcart and muleback. Unless this is considered, delay and loss may result. The extreme weight which a mule is accustomed to carry is about 70 kilos or 150 pounds on either side—a total of 300 pounds. One large trunk weighing 300 pounds could not be transported. On the other hand, if this weight could be divided into two trunks, evenly balanced, it would be an easy matter to handle them. The size should permit the placing of trunks on muleback in a handy way.

Other Factors to be Considered.—In the remote places where transportation facilities are poor, or in more highly developed ports where there are open roadsteads only and no docking facilities, trunks are subject to damage. Especially is this so when they must be lowered into a lighter, if, by mischance, they are precipitated into the sea instead of into the lighter. The carriage on the backs of laborers from the lighter to the shore is also involved, and if a trunk is not properly adjusted, it may slip into the water with a consequent damage to contents. As railroad rates in many places are extremely high, care should be taken to have the trunk of the lightest weight possible consistent with strength and durability.

Packing, Listing, and Weighing Contents.—To expedite clearance by custom house officials in ports of entry, it is desirable that the contents of trunks should be carefully packed and listed. This is essential because a bond can be given for entry of samples, and the requirements of officials in this respect are extremely strict. The fact that a list is carefully prepared, with gross, tare, and net weights given, will often inspire such confidence that the giving of bond can be greatly expedited. The requirements in weighing, listing, and packing are as follows:

1. Weight of trunk alone.
2. Weight of the loose compartments or shelves and containers.
3. Weight of trunk and containers.
4. Weight of samples contained in trunk.
5. A list of contents under different headings.

If vacant spaces are filled with waste paper or other material, weight of same should be specified. All articles should be carefully wrapped, and, if possible, placed inside waterproof ma-

terial. Nothing should be packed loose. A list of all items in the trunk should be carried, with the names of articles in both English and Spanish, and if the traveler is going to Brazil, Portuguese should be used.

The Importance of Proper Clothing.—In Latin America, appearances are quite as important a factor in business as in the United States. In this respect the American salesman should be extremely careful and most considerate of the opinions of his prospective customers. Extreme fashions should be avoided. On the other hand, the importance of wearing clothes of an excellent quality, dignified and appropriate, cannot be too strongly urged. The traveler who wishes to enter fully into the lives of the people should be supplied with clothes for various occasions, and as social functions play an important part in the life of the Latin American, evening dress is indispensable. The wise traveler will not permit himself to be embarrassed because of lack of proper wearing apparel.

The Kind of Clothing in General.—Naturally, the weight, color, and texture of the clothing, because of the great difference in climates and altitudes, vary considerably. In planning a trip it is essential to consider the time of the year in which the visit is to be made, climatic conditions at the time of the visit, the altitude, etc. Clothing suitable to be worn in Guayaquil, Ecuador, in December, because of the great heat always prevailing there, will be found impossible in Punta Arenas, Chile, in July, when heavy snows are falling and when it is midwinter in those regions. The rigorous conditions then prevailing make heavy clothing, overcoats, etc., absolutely necessary. The traveler must also be prepared, although traveling within the same country at the same period of the year, for great changes; as an instance, white linen or duck suits may be worn in Barranquilla, Colombia, but after a few days in the interior via the River Magdalena, when the journey to the upland regions of the capital, Bogota, is commenced, ordinary clothing will be found more comfortable, and in the mountains, particularly at night, overcoats and heavy underwear are essential. Provision should be made for these changes before a salesman leaves on his trip, as most wearing apparel is more expensive in Latin America than at home.

The Expense of a Traveler in Latin America.—Expenses are an

important factor in considering the sending of a representative to Latin America. In almost all countries they are high, particularly if accommodations are taken in the better hotels to which salesmen should invariably go to maintain the dignity of their house. A brief outline of the principal expenses is as follows:

1. *Hotels and Sample Rooms.* These are almost always high. The average rate in Argentina, Brazil, and Uruguay for sample room, bedchamber and meals, is \$10 to \$15 per day. In Ecuador, Colombia, Chile, and Peru the same accommodations cost about \$8 per day. In Mexico, Central America, and Cuba the rates are lower but vary according to the size of the town and the character of the hotel. The average is \$5 to \$9.

2. *Special Expenses.* In many places, because of conditions, bottled water must be drunk as the local water is unhealthful. This costs 50c to \$1 per day. Baths usually are charged for extra and cost from 20c to 50c each.

3. *Transfer and Bus Charges.* The cost of transportation of trunks and luggage usually is higher than in the United States. The bus or carriage rates vary, occasionally being lower than in this country but more frequently higher.

4. *Landing Charges.* In many ports where dock facilities are lacking, and particularly in the case of open roadsteads, the traveler is mulcted unless familiar with the practices of the boatmen who often charge extremely high rates for carrying passengers from steamer to shore.

5. *Clearance of Samples.* It is necessary, when samples are carried into one country from another, to arrange for their passage through the custom house. Although the experienced traveler may be able personally to dispatch them, it will be found advantageous, when a considerable number of samples are carried, to arrange the matter through a custom house broker. The charges vary in proportion to the amount of baggage but must be considered in the expenses. The giving of tips to expedite the clearance of trunks is a legitimate expense.

6. *Railways and River Steamship Fares.* In the South American countries the rates are almost invariably higher than in the United States, and in some countries are as much as five or six cents per mile. On river steamers the rates are generally low or not excessive, except in the case of short distances. Ext-

charges may be incurred by the purchase of special food, water and other supplies.

7. *Ocean Steamship Rates.* In the main, rates are excessive, especially on the west coast of central South America, and in particular for the short run between ports. When possible, tickets should be bought through or for round trips, as these rates are lower.

8. *Excess Baggage.* On the railways and on steamships particularly, in South America, the rates are excessive. In some instances no excess baggage whatever is allowed and generally there is a very low maximum. Because of this the question of baggage should be carefully considered before a salesman's departure.

9. *Traveler's Taxes.* In many places in Latin America, taxes are still collected of travelers before they are allowed to transact any business. Various means are resorted to in order to avoid their payment and in some places the charges are compromised by the official in charge of the collection. Information in regard to this subject may be obtained on page 534, relating to the taxes charged in the various countries.

10. *A Salesman's Daily Expense.* The average daily expense of a salesman while traveling may be calculated at not less than \$10 per day, provided the salesman is careful in his expenditures. An average more likely to be representative is \$12 to \$15 per day, but when numerous trunks of samples are carried the expenses may reach \$20 daily. They are certain to be higher in the case of an inexperienced man.

11. *Expenses for Entertainment.* The nature of business in Latin America makes essential a certain sum for entertainment. To a far greater extent than in the United States the entertainment of customers and prospective buyers is conducive to business, while the custom of offering cigarettes and of taking refreshments is almost universal. This, therefore, may be considered a perfectly proper expense item which is incurred by the salesman in the discharge of his duties.

In Whose Care Mail May Be Sent.—Whenever possible, mail should be addressed in care of a reliable importer, or, for lack of knowledge of such a firm, in care of the American Consul. Except in the larger cities, mail should not be sent in care of hotels,

as the system of caring for it is inadequate and there is great opportunity for loss.

An Example of Noninvestigation.—A concrete example of the lack of study before a salesman is sent is afforded in the experience of a shoe manufacturer. Being impressed with the possibilities of Latin American trade, he engaged a salesman who was unfamiliar with conditions, and instructed him to visit northern South America including Venezuela. In this republic, because of the extremely high tariff on shoes, and the skill of the local shoemakers, there is absolutely no market for American footwear. The result was a complete loss of time and a heavy expense, which the manufacturer might have avoided. Numerous examples of this lack of study may be cited.

Anticipating Delays to be Turned to Account.—Where a representative arrives at a port at which the ship on which he is traveling will lie for several days discharging and loading cargo, as is frequently the case, particularly on the west coast, business may be done in the interim. For that reason it is desirable to obtain the schedules of steamship lines which are to be used. Where there is a possibility for such action all information available regarding cities accessible from the ports, the time required to visit them, and the business done therein, should be sought and analyzed before the departure of the traveler.

The Importance of Initial Visits.—The representative of an American firm, who is on his first trip, should make haste slowly, and it will be found in the long run that this policy is the most economical. By making a careful survey of the situation before paying any visits, and learning definitely the houses which offer the greatest possibilities, much time will be saved. A sale to a merchant of the wrong class will have an adverse effect on the possibilities of introducing an article. For such a study time is required, and the representative should be expected to take it.

A Conference with American Consuls Desirable.—The very commendable efforts which American Consuls are making to extend trade could be materially assisted by the cooperation of American manufacturers and their representatives. The latter should invariably call upon the Consul before making any effort to obtain business, as the latter is usually in a position to give valuable advice concerning the commercial situation and possibilities. When

proper credentials are presented he is also able to assist the traveler to obtain an entrée to clubs and the best social and business circles. This is a factor frequently overlooked by American travelers and for this purpose credentials from influential sources are indispensable.

Example of Misdirected Effort.—Many American concerns have had to overcome the effects of misdirected effort on the part of overzealous agents whose only concern was the getting of orders. In some cities of Latin America the merchants of Oriental races are much despised by the merchants of other nationalities, notwithstanding the fact that they have succeeded in developing their business to no mean proportions. However, an unwary representative, who perhaps had not received encouragement from the more representative concerns, then placed the sale of his product with the unpopular traders. He learned too late that it was impossible to establish himself again in the good graces of the more responsible houses who disapproved of his action in selling the nonrepresentative firms.

When Few Visits Are Desirable.—In introducing a product to the Latin American trade, it is far more desirable, when a representative has only a limited amount of time, to visit only one country and to make the proper connections, rather than to attempt to cover the entire continent. The undue haste and ill-considered efforts of many American firms have resulted not only in bitter disappointment, but in severe financial loss.

Representative Should Seek Acquaintance of Best Classes.—The representative who wishes to establish a permanent market for his products should seek introduction to the best people of the community in which he happens to be. The importance of social connections and intercourse as an adjunct to business in Latin America cannot be overestimated. By meeting merchants, bankers, and officers in their respective clubs, places of refreshment, the theater, race courses, etc., he will much more quickly be able to achieve his purpose than if such advantages were not sought.

What a Salesman Must Absolutely Avoid.—The traveler who is unacquainted with the life, customs and ideals of the Latin American people, and who is making his first visit, should be very guarded in his comments regarding conditions as he finds them. All sarcastic reference to the people, their institutions, and their

customs should be avoided. Under no circumstances should the question of politics be discussed, for this is a topic upon which the Latin American is perhaps more likely to show great feeling than any other. As it is easy to be drawn into a discussion of political conditions, the astute salesman will be extremely careful to avoid the topic.

The Effect of Climate on Morals.—As the climate in general makes it likely for the careless to fall into habits which are much more easily resisted in northerly latitudes, it behooves the visitor to be very guarded in his indulgence in alcoholic stimulants. This is particularly the case in the higher altitudes, and as the effect of stimulants is much more noticeable there, the traveler should endeavor to avoid all possibility of intoxication, which would seriously affect his prospects for business. The traveler should be modest in his demeanor and avoid boasting, particularly about America, as this is very disagreeable to the Latin American temperament.

Information to be Exacted of Representative.—The information which a representative can acquire in the course of his travels is so valuable that its use in the home office frequently can be made to produce results far in excess of actual business obtained by the traveler. Frequently, salesmen supply this information, but as it is not compiled or collated, being merely in the shape of letters, it is buried in files and lost. To guard against this possibility the salesman should be furnished sheets of paper, of light weight, which are suitable to be placed in loose leaf binders, readily filed and consulted. In this manner, the information is not only available for the house and all those interested therein, but can be gone over easily with the representative upon his return.

The Kind of Reports to Exact.—The following should be exacted of a representative:

1. A report on the list of names given a salesman prior to departure. This embraces names of customers, and prospects either already verified, or those obtained from directories or other sources. By carefully checking such a list and removing the "dead wood" in the shape of defunct, nondesirable concerns or those not available for other reasons, a valuable list can be obtained for follow-up work.

2. Reports of visits to each merchant, with a statement re-

garding the interest shown by him in certain lines. If any disagreements or complaints are made they should be noted.

3. Report on general trade conditions by towns or sections.

4. Additions to the mailing list in the shape of names of dealers who have not previously appeared in the list and those newly established.

A Practical Form of Report.—The wise export manager will not burden salesmen with requests for needless information. Only essentials should be required and the simplest form possible should be used. One that has been found very practicable is 5 x 9 inches, adapted for pocket use; these reports, which are made on light and durable paper, must be filled out as quickly as possible after leaving the business house upon whom the report is made, in order that the information acquired may be reported while fresh.

Salesman's Memoranda for Own Use.—In supplying his firm with information obtained, the representative should make a carbon copy thereof, as he will be able to increase his selling efficiency by having easily available for successive trips the information previously obtained. This applies not only to the names of customers and prospective buyers, but a memoranda of articles in which each dealer happens to be interested, his peculiarities, his likes and dislikes.

The Personal Element Important.—A representative who is seeking to develop a field will find it of the greatest advantage to keep in personal touch with his customers, and those with whom he wishes to do business. This can be done frequently and inexpensively, not alone by letters but by post cards and short messages from other cities and countries. Such evidence of interest shown by the representative will yield a much larger percentage of returns than would the same energy expended in the United States.

Time Required to Develop Trade.—Not only the firm that he represents, but the salesman also must realize that effort and time are required to develop a business. The watchword in all business relations is coöperation, and this may be applied with particular force to the Latin American field. There must be coöperation, not only of the house with its traveling representative, but the salesman must bear patiently with his principals, who, being at a great distance, and not being thoroughly acquainted with the con-

ditions as he finds them, may not be so enthusiastic as he. The value of a first trip may not be apparent in the volume of business, but if carefully taken advantage of, may eventually yield great returns. The information which a salesman can acquire regarding local conditions, methods of packing, and foreign competition alone will be richly rewarded upon a second trip, provided that the information acquired has been turned to good account.

Small Orders Desirable.—It is only in rare instances that a salesman succeeds in obtaining large orders upon a first visit. Even in the case of famous American firms who enjoy great reputations at home, initial orders for their products are usually small. This is due to the conservatism of the Latin American buyer, who, because of many unfortunate past experiences, prefers to make small initial purchases to assure himself that orders will be carefully filled, that instructions regarding packing and shipping directions are followed, that custom house requirements are observed, and that there is no substitution. A failure by many American houses to recognize this fact and a tendency to pay scant attention to first orders because they are small has often resulted in inability to introduce products which might otherwise have had a considerable success.

Necessity for Special Qualifications.—The representative of American manufacturers in the Latin American trade field should possess unusual qualifications. So many important services may be rendered by such a representative that the manufacturer must be far more exacting than in the appointment of agents in the domestic market. One of the most important duties is that of determining the credit standing of the dealer. In Latin America credit information is far more easily obtained at first hand than by correspondence and the representative should be not only competent but trustworthy, so that the fullest credence may be given his reports regarding the credit standings of dealers. The appointment of local and traveling agents also frequently falls to his lot and this likewise requires ability.

The Qualifications of a Representative.—The traveler who undertakes the representation of American houses in the Latin American trade fields must expect to find many unpleasant conditions and must be prepared to make serious sacrifices of personal comfort. This is especially true in the remote places. He must also

realize that because of the conditions his efforts, while the foundation of the business is being laid, will probably not result in a sufficient volume of business to justify his expenses, and much of his work will bear fruit only in the future.

Men of High Character Needed.—Because the cost of traveling and living are both steadily increasing, it is inadvisable for manufacturers to select low-salaried representatives. Many successful concerns have found it advantageous to employ graduates of universities, particularly of those institutions which have schools of business administration such as Columbia University, Harvard University, etc. The experienced travelers of export commission houses, also, are frequently chosen where important introductory work is necessary.

Importance of Personality.—To a far greater degree than in the United States is personality a requisite of most efficient salesmanship in the Southern Republics. The possibility for intimate relationship with Latin American merchants is far easier than in North America. The representative who, because of his accomplishments, intelligence, and acquaintance with literature, art, music, etc., is invited to the homes of his customers is naturally in a position to command a far larger share of the business than would be possible without intimate friendship. The well-to-do merchant of Latin America, native or European, sets no bounds upon his hospitality to the cultured representative. Invitations, too, are lavishly extended to entertainments of every sort and the privileges of clubs are freely granted. The most efficient representative will be able to enter into this life to the fullest degree and should be able to acquit himself creditably.

The Influence of Social Life.—In connection with the subject of personal relations the value of social intercourse must be emphasized. The most prosperous travelers are often those who, after business hours, frequent the places where they can meet their customers and enter generally into the social life of the communities in which they find themselves. Very often the friendships thus formed are productive of more business than can possibly be obtained by insistent salesmanship. Not only the time, but the expenditure of money necessarily entailed by this intercourse, will be found well spent.

Customs to be Studied.—The American commercial traveler who

is making his first visit to the Latin American countries should study carefully all the customs of business and social life. They are not alone interesting in themselves but will prove extremely valuable in furthering sales. Moreover, the observance of these customs will enable the traveler much more quickly to gain a foothold than would be the case were this essential feature neglected.

The Treatment of Representatives.—Because of the unusual conditions which the traveling representative faces, and the absolute necessity for maintaining his own dignity as well as the reputation of the house he represents, his expenses for entertainment will be found heavier than in the domestic field. Exporters should not scrutinize such expense accounts too closely, particularly if the traveler is effecting good sales. It must be remembered, that the salesman, having been selected with care, is worthy of confidence and should be trusted not to be extravagant. The trials of the representative under the most favorable conditions are very great, and he should be encouraged in every possible way and nothing should be allowed to dishearten him.

The Treatment of Salesmen's Correspondence.—The suggestions made by representatives in their reports should be carefully considered and all correspondence should be accorded thorough attention. Inquiries regarding prices or other items should be answered promptly, and fully. The suggestions which are made as a result of personal observation should be treated with consideration inasmuch as the competent traveler knows whereof he writes.

Making "Missionary" Work Productive.—In many instances the work of traveling representatives on a first visit is purely "missionary" in character, but if advantage is taken thereof, it can be turned to good account. To that end a simple but thoroughly effective system of frequent letters of follow-up nature should be directed to the houses upon whom the salesman reported. The fact that the advantages of the manufacturer have been presented by a personal representative offers a means of establishing intimate relations and the wise manufacturer will seek to profit thereby. A single display of samples to a Latin American buyer and a strong presentation of the selling points of an article by a representative are far more effective than a long series of letters without this personal touch.

Other Advantages of Competent Representatives.—Not alone for the duties outlined is a salesman of such importance to his firm, but where it is advisable to appoint general or local agents for the sale and distribution of manufactures, a competent representative can render his house invaluable service. By a study of conditions and a consideration of all the factors involved, a capable traveler can frequently select as local agents men whom it would be impossible to engage by correspondence. Another service which is of extreme importance is that of determining the credit to which a dealer is entitled. In Latin America, such information is far more easily obtained at first hand than by correspondence. For this reason alone, the exporter should insist that his representative be most competent in order that the fullest credence may be given his reports regarding credit standing of the dealers. In the chapter relating to credits and collections, the method to be pursued is gone into fully.

GENERAL AND LOCAL AGENTS

Introduction.—Only a failure to understand conditions in the Latin American market can account for the many misdirected efforts of American houses. It is inexplicable why business men whose success in the domestic field has been based on highly developed personal salesmanship should attempt to win trade in Latin America by the occasional mailing of a catalog. This seems even more absurd in the case of cities like Buenos Aires, Rio de Janeiro, or Santiago de Chile, where business methods are as highly developed as in the cities of New York or Chicago. In these large cities, as in smaller ones also, importers desire to inspect samples and as trade conditions, because of style changes, the need for demonstrators, etc., become more complex, the most intensive methods are required to obtain trade. The peculiarities of certain lines of business have made it desirable that stocks be carried in the principal centers in order to insure quick deliveries of frequent purchases.

Why Distributing Agencies Aid.—This method has been followed with considerable success by numerous foreign firms, including some American houses, whose sales are made to the smaller shopkeepers. The latter cannot afford to import direct but the

volume of their purchases is nevertheless very considerable. In many instances, however, it will be found that business can most easily be developed by means of agencies even when stocks are not carried in the distributing centers. Agencies are of two kinds: general and local. The former are usually for a certain district, which may lie entirely within one country or embrace parts of several republics. The latter are for a definite smaller territory, usually one city or community. The principle underlying the appointment of agents is that of frequent visits in order to keep in constant personal touch with buyers, as a local man canvassing the field continually can undoubtedly effect larger sales than a traveler who comes infrequently.

How Agents May be Obtained.—Assuming that the merchant has made a careful study of the possibilities of his product, determined that the agency system is the best to follow, and logically divided his territory, his next problem will be that of obtaining aggressive, reliable agents. This may be done in a number of ways.

The Most Satisfactory Method.—Naturally, the best means of obtaining local agents is for the American business man or his export manager to visit the country, study the conditions, and after careful consideration, appoint the agent who seems most desirable.

Agents May be Obtained by Correspondence.—The American exporter who cannot himself go, or who cannot send a competent representative, may obtain local or traveling agents in a number of ways. The following are some of the principal methods:

1. His general traveling representative may make a personal investigation and appoint the agent.

2. The manufacturer may advertise in local newspapers and, after obtaining references of the correspondent, make the appointment.

3. He may secure the agent as a result of the latter's direct application.

4. He may arbitrarily select names of firms who advertise in local directories their desire for agencies.

5. He may have been given the names of prospective agents by United States Consuls to whom he has written.

6. He may have had correspondence with commercial organizations who have suggested names.

7. He may have obtained suggestions from the "Daily Commerce Reports."

8. He may obtain them from bulletins of the National City Bank, export papers, etc.

Points to Emphasize in Correspondence.—The manufacturer who contemplates the appointment of local agents should make clear in all advertisements or letters relative to the subject the following items: his facilities for exporting; his ability properly to care for export business; all advantages of his products. Simultaneously he should exact references, and make clear to the applicant his exact position regarding commissions, terms, territory, prices, discounts, etc. Every factor should be considered in order that no time may be lost in needless correspondence.

Caution Necessary in the Establishment of General Agencies.—The possibilities for the sale of a given product may be so adversely affected by an error in judgment that the manufacturer should approach this problem with the greatest caution. Following are some of the factors to be considered, and the pitfalls suggested by each should be studiously avoided:

1. *The Vastness of the Territory.* A firm may apply for the representation of product in a territory which will be so extremely large that it is impracticable to be covered from one place. As a specific instance may be cited the application of a concern in Rio de Janeiro for the entire republic of Brazil. If a manufacturer were to grant an agency for the Brazilian field and to do business only through that agency, it would present a very peculiar anomaly if an order were received from Manaos. The latter is a point on the river Amazon, not far from Iquitos, Peru, about 3500 miles from the coast. To reach Manaos from Rio de Janeiro requires alone three weeks' time. The absurdity of such an arrangement is apparent. A country like Brazil should be divided into several territories as suggested in the Appendix. Furthermore, various sections of a country are utterly different. Care should be taken to ascertain exact conditions and apportion the territory accordingly.

2. *Other Representations Held by Agents.* This is an important factor for many reasons and one which will become evident upon

study. Other products sold, because of their dissimilarity to the new merchandise, will make it more difficult for the representative to introduce the latter. The manufacturer must be extremely careful to convince himself that application for a representation is not forwarded merely with the intention of preventing the sale of his product which might interfere with that of a similar one already being sold by the prospective agency.

3. *Nationality of the Agent.* This is far more important than appears on the surface, and is particularly so in the case of machinery. It is obvious that if the agent is a German, and is used to selling only German machines and tools, it may be difficult for him to adapt himself to the American ways and methods.

4. *Organization.* An agent may frequently be perfectly reliable but because he lacks an organization to effect proper distribution of a given product, the ambitions of a manufacturer for adequate distribution in a certain district may not be realized.

5. *Multiplicity of Merchandise.* A representative who has too many kinds of agencies cannot devote as much time to a certain line as one who would make it his principal business. Furthermore, if the variety of products handled is too dissimilar, it is unreasonable to expect results. The general agency whose principal business is the selling of machinery cannot be expected to be competent in selling jewelry, nor could agricultural implements and confectionery be well handled together, while surgical instruments and leather would likewise prove a disappointing combination.

Factors Affecting Local Agents.—Before granting a local agency a manufacturer should assure himself that the agent has a knowledge of the product it is desired to introduce or distribute. The standing of the agent both socially and commercially must be considered, his ability should be of the highest, and the other representations he carries should in no wise conflict with or affect the new one granted. He should possess a wide acquaintanceship with the dealers or users of the product, and his facility for covering the territory properly should be made apparent to the manufacturer before the latter reaches his decision. The possible attitude of the local agent toward his principals must also be given consideration, and the exporter must make sure that his representative will not

take sides with local merchants against the firm, as is sometimes done by unprincipled men.

Definite Understanding Necessary.—In engaging a local agent the American house must be very explicit in its letter of authorization. The duties, liabilities, and authority of the agent must be explicitly stated in order that no attempt may be made to make collections for the account of the American shipper and to pocket the proceeds. In the contract should also be stated fully the obligations of the agent as to competing lines handled by him, so that the American house may not be subjected to loss because of betrayal of confidence, or other reasons.

Liability of Agent.—Occasionally an American firm depends exclusively upon its resident local agent for credit reports, relying upon the knowledge of local conditions which its agent may possess. It often happens that the local agent guarantees to reimburse the American firm in the event that payment is not made by its customer.

In Europe such responsibility is called *del credere*. When such arrangements are made the business house must be doubly careful lest it become the victim of its agent's dishonesty or of his lack of judgment.

Advantages of Special Agents.—When a business of good volume is being done, it is almost essential that the exporter arrange for special representation. Such representation will be found particularly useful when shipments are made against documents that must be accepted and paid. When some unforeseen circumstance occurs and drafts cannot be immediately accepted the American shipper may frequently avoid heavy loss through an arrangement which is known as "in case of need." These words on a draft mean that in the event of nonpayment the individual (or firm) whose name appears on the draft marked "to notify in case of need" is advised of the circumstances and can communicate direct with the shipper or himself take care of the documents. This naturally depends upon the arrangements made with the American house.

Coöperation with Agents.—As in all commercial relations, absolute coöperation between the manufacturer and the agent is essential. Following are a few concrete suggestions for such coöperation:

1. *Obtaining Prospects for the Agents.* This may be done by

correspondence with dealers whose names are furnished by the agents and who are advised of the appointment of the latter and of the fact that they have samples, etc.

2. *Circulation of Advertising Matter.* The work of the agent can be much simplified by the circulation of appropriate advertising material. This will have a particularly good effect in that it will stimulate the agent to greater activities when he realizes that the house he represents is disposed to help him in every possible way.

3. *Inquiries Referred to Agent.* Every inquiry received from the territory of an agent should be referred to him. Intensive work on the part of an agent to whom prospects are referred will likely result in increase of business. The policy of some manufacturers in withholding notices of orders received direct, and denying commissions, is extremely shortsighted.

4. *Follow-up Work.* Efficient follow-up work will prove extremely valuable. This should concern itself with merchants previously sold as well as with prospective purchasers of whom the manufacturer is advised by the agent.

5. *Copies of All Correspondence.* A memorandum of advertising matter and catalogs mailed, in addition to copies of correspondence, should be supplied to the agent. This attention will not only be greatly appreciated by the representative, but it will be found productive of greater efficiency.

The Value of Coöperation.—The greatest results in the development of trade with Latin America, no matter what method is adopted, will be obtained by coöperation. The wise exporter will seek by every possible means to coöperate intensively with local or general agents, with importers, and, in the final analysis, with the ultimate consumer or user of his products.

Clearing Samples.—One of the sources of most frequent complaint, particularly by salesmen who are making their first visit to a Latin American country, is the difficulty of clearing samples that may be carried. A failure to approach this problem from the right standpoint often causes delays and annoyances. A rule which should be followed by all interested in this matter is the proper treatment of customs officials charged with the collection of duties. The Latin American cannot be browbeaten or hurried; he should be treated with the utmost urbanity, politeness, and consideration.

This method will result in a saving of time and will redound to the advantage of all who have business with customs officers.

Assistance of Custom House Brokers.—The laws relating to imports and the exports passing through the custom houses are very similar in all the countries. A salesman, however, who carries samples for which he wishes to give bond, should immediately consult a reputable custom house broker. The latter usually knows all the requirements and, having an acquaintance with the officials, can generally secure the entry and clearance of samples much more quickly than the American alone.

Clearing Samples Under Bond.—The custom house regulations in many Latin American countries have very liberal stipulations regarding samples carried by commercial travelers. Before a traveler starts on a journey he should carefully prepare a memorandum, practically in the same manner as though it were an invoice. On this document should be specified: (1) an exact description of the samples carried; (2) their value; and (3) their gross, legal, and net weight.

Such a memorandum will make it possible to supply customs officials quickly with a description of the baggage carried, and will expedite its clearance when no regular consular invoice is required.

Consular Invoice for Samples.—Of even greater value is a consular invoice covering the samples carried and containing a full itemized description thereof. On such an invoice there should be specified the exact character of the samples, including the combination of materials therein, the net, legal, and gross weights, etc. This will assist greatly in clearing samples through custom houses and will be found generally useful. If the traveler is visiting various republics the following concrete suggestions will be valuable:

If departure is taken from the United States to Cuba the consular invoice should be made by the Cuban Consul. When leaving Cuba for Venezuela, the Consul of Venezuela in Havana should certify another invoice. This method should be followed from one country to another.

Arranging Bond for Samples.—In most of the republics bond may be given for samples. This bond provides that the samples are to be withdrawn from the country within a stated length of

time. The signature of a reputable merchant is usually sufficient to obtain the bond, although in some countries it is necessary to arrange for the payment of the duties in currency. When the samples are withdrawn for the purpose of being taken to another country, the duties thus deposited are refunded. The duties and customs differ so widely in the different countries that they cannot be stated in detail here. When a journey to Latin America is contemplated and it is decided to learn conditions regarding the clearance of samples, the information may be obtained as follows:

1. From the Consulates General of the various republics, in New York City.
2. From the Bureau of Foreign and Domestic Commerce of the Department of Commerce, Washington, D. C., or its agents in the various branch offices.
3. From representative firms in the different countries.
4. From commercial organizations such as the National Association of Manufacturers, etc.

Personal Attention to Baggage.—In clearing baggage through a custom house it is absolutely essential to give the matter personal attention. The experienced traveler will not intrust the clearance to a subordinate but will himself oversee it. This personal attention includes:

1. The location of the baggage.
2. Attending to its clearance.
3. Seeing that it is properly placed on train, steamship, or other conveyance.

Taxes on Commercial Travelers.—A source of much trouble and annoyance in many places in Latin America is the matter of taxes on commercial travelers. This is a difficult subject because of the wide variation in application. Although the tax in certain of the countries is nominally a very heavy one, it is rarely collected in full, inasmuch as the payment is frequently a matter of compromise between the applicant and the official to whom the privilege of collection has been awarded. In many places no tax whatever is exacted, notwithstanding the fact that there is a law authorizing its collection.

How Payment Is Avoided.—In those places where the municipal officials are strict in the enforcement of the law, many travelers overcome the difficulty by writing in advance of their coming to

one of the principal importing houses. This house, by reason of the taxes it pays and the license for doing business it has obtained, assumes charge of the samples, and while the traveler is in the country or district practically arranges that he may represent it. In this manner payment of the license may be avoided. It is highly desirable for the traveling salesman to take every precaution in this respect and he can, by questioning fellow travelers and merchants in adjacent towns, ascertain the conditions which prevail in other places to be visited. A conference with the American Consul immediately upon arrival is a wise precaution and no effort to sell should be made before that is done. The exact conditions governing the payment of license by commercial travelers are different in almost all Latin American republics. (See page 534.)

Some Travelers' Taxes.—In many of the republics a national tax is exacted and a further tax is assessed in the provinces. In the Argentine Republic, there is a national tax of \$300 paper or about \$50 gold, and there are other provincial taxes. In six states of Brazil, the taxes vary from about \$35 to \$50 American gold or about \$200 Brazilian paper. In Ecuador the tax on traveling salesmen is \$50 gold per year. In Salvador the tax exacted is 100 pesos for a stay not to exceed two months. For a stay in excess of that period a monthly tax of 25 pesos is to be paid by the traveler to the custom house upon departure. In the republic of Panama the tax is 10. The taxes exacted of traveling representatives in the republic of Bolivia vary according to the community. The collection thereof is generally "farmed out" and collectors frequently accept less than the amounts which they are authorized by law to charge. The taxes in the principal communities are as follows: La Paz, 200 to 300 Bolivianos; Cochabamba, 1000 Bolivianos; Oruro, 250 Bolivianos; Potosi, 200 Bolivianos; Sucre, 300 Bolivianos; Uyuni, 250 Bolivianos; Santa Cruz, 400 to 800 Bolivianos; Tarija, 200. The Boliviano equals .389.

Population Sometimes Misleading.—Before determining upon the establishment of an agency and the extent of territory to be allotted to it, the manufacturer should thoroughly familiarize himself with the existing conditions and the possibilities for the sale of his product. There are many factors which may prove extremely misleading, making analysis indispensable. An example of such factors is the population of a country. The fact that a

large number of inhabitants are reported in a certain republic does not prove that a certain consumption or sale per capita is possible. As an instance may be cited the case of Mexico whose population is 16,000,000. Of this number only 4,500,000 may be considered as probable buyers of America's manufactures. This applies with equal force to such countries as Guatemala, Bolivia, Ecuador, etc., while in Costa Rica, Argentina, and Brazil the situation is very different. This matter is also important from the standpoint of exactions required when agencies are granted. Manufacturers have often refused to grant application for agencies because the applicants refused to agree to import a quantity of a product which was out of proportion to the resources of a community.

CHAPTER VII

PLANNING A SALES TRIP. CONDITIONS OF TRAVEL IN LATIN AMERICA

Introduction.—The value of personal contact in the development of business is widely recognized. The establishment of more intimate and profitable relations between the exporters of the United States and the importers of Latin America can undoubtedly be hastened by an exchange of visits from the heads of business houses. In the past, commercial organizations have laid most stress upon the visits of Latin American merchants to this country, and the only organized effort for tours of Latin America has been in the appointment of commissions or groups of manufacturers to visit the southern countries. The value of the personal visits of executives to Latin America cannot be exaggerated as the merchants of those republics are particularly appreciative of the compliment implied in the personal call of the head of a large company. Such visits result in a greater intimacy and enable the American executive to obtain, at first hand, information which would otherwise be hard to secure.

Vacation Trips Enjoyable.—Business men have come to look upon vacations as indispensable to efficiency. The time they have usually given to summer resorts or European trips may be spent with equal enjoyment and with far greater profit in visits to Latin American countries. Many of the most important cities of Latin America have very delightful climates and in the coast cities, where tropical conditions exist, the days and even the nights are frequently cooler than the summers of the American cities of the temperate zone. The tableland of Mexico is particularly pleasant during summer, as are all the interior cities of Central America, whose elevation makes the climate very pleasant. The southerly part of South America, including Uruguay, almost the entire Argentine Republic, the southern part of Brazil, and the greater part of Chile and Paraguay, lie in the South Temperate Zone. The equa-

torial republics, particularly Ecuador, Colombia, Venezuela, Peru, and Bolivia, also possess high plateau regions in which the temperature is that of the American Indian summer, and often cooler. The visitor to Ecuador traveling from Guayaquil to Quito on a trip inland will discover that in five hours on muleback the climatic conditions undergo a greater change than in a trip of six days north or south of Guayaquil on a steamer. Even in Cuba and Porto Rico the summers are very agreeable. In the upland capitals, the range of the thermometer is between 50 and 70 degrees Fahrenheit. The factor of greater importance than heat in the tropical countries is the moisture of the air and the heavy rainfall.

The Humboldt or Antarctic Current cools the air and water along the northern part of the western coast of South America to such an extent that even bathing is uncomfortable. The scenery in almost every one of the Latin American countries is of unsurpassed beauty and for midwinter visits more delightful excursions can hardly be imagined. Trips to these republics can be of varied duration since most of these lands are quickly accessible to the United States, especially Mexico, Cuba, Porto Rico and Central America.

Factors in Planning Trips.—A manufacturer should seek to learn all that he possibly can, regarding business conditions, in the shortest possible time. The means of doing this depend upon a variety of circumstances. It may prove most advantageous to make short visits to a number of countries, touching only at the principal places, in order to obtain a knowledge, by personal association with the merchants, of their requirements and of different trade fields. Where time is a factor and only a short trip can be made, the manufacturer, if he has learned by previous study that the conditions for the sale of his products are practically the same in all of the twenty republics, may obtain much valuable knowledge by visiting only one or two countries. At any rate, he should determine in advance the places at which he will stop, and plan his trip with the utmost care, so that he may be reached quickly and directly whenever it is found expedient to do so. Necessity for advance study cannot be too strongly emphasized, as needless traveling may thus be avoided by omitting visits to countries where the prospects for business are unfavorable because of difficulties that cannot be overcome.

In the Appendix appears a brief commercial outline of Latin America and of the ways in which the different countries may best be visited. The American manufacturer who seeks to do business there should determine by study, in accordance with the suggestions given in Chapter II, which places it is to his advantage to visit.

Information Regarding Routes, Etc.—The business man who intends to visit the Latin American republics himself or to send representatives to make investigations may obtain the needed information relative to these countries from a number of sources. These are:

1. Travel bureaus.
2. Tourists' agencies.
3. Railroad agencies.
4. Pan-American Union, Washington, D. C.
5. Steamship lines plying to Latin America.

Important advantages may be obtained by the purchase of round trip tickets of recognized tourist agencies. During the winter season, many excursions are made from New York City or Gulf ports which will permit the manufacturer to visit the West Indies, Central America, and ports on the north coast of South America. As the stops usually made are not of sufficient length to permit investigation, it is preferable to make journeys which would permit of a longer stop-over in the principal cities. A list of tours and their cost is given on page 533.

Suggestions for Various Trips.—Following are suggestions for specific tours, which may be added to indefinitely:

1. To the Republic of Cuba, from New York or Gulf ports.
2. To Cuba and Mexico from New York or Gulf ports. Trips from Havana to Mexico by way of Vera Cruz and return via Laredo, Eagle Pass, or El Paso.
3. To Central America via Panama or Costa Rica, return via Guatemala and New Orleans.
4. West Coast South America via Panama and return via Argentina and Brazil.
5. East Coast South America and return via West Coast South America and Panama.

The Best Time for Visits.—The conditions which influence traveling vary so greatly in the Latin American countries that

no definite time seems best, although in some of the republics commercial travelers find it advantageous to reach certain countries at different periods. In Argentina this is January, when the bulk of the crops are being exported. In Brazil, November, in many lines of manufacture, is found to be advantageous because of the fact that the exporters of coffee are then receiving returns from their European consignments of this important agricultural product. In Central America, manufacturers are accustomed to place their orders for holiday business in the months of August, September, and October in order that shipments may be received in time for the Christmas business. Many lines of industry are affected by the rainy season and in such instances importations are timed so that they may arrive just previous to the beginning of the rains. In Mexico conditions are governed largely by the same factors that influence the purchase of products in the United States.

As far as visits are concerned, many travelers prefer the rainy season, notwithstanding the daily downpours, in preference to traveling during the period of extreme dryness when the journey is frequently made very unpleasant by the constant dust. On the whole, it will be found advantageous to visit the capitals during the period when the social season is at its height, as a better opportunity is afforded to study conditions and to obtain an insight into the life of the Latin American people. As the religion of the great mass of Latin Americans is Catholic, the period preceding Easter is usually the dulllest, since Lent is strictly observed.

The Selection of Routes.—The choice of a route, as already stated, is optional. If a trip to South America is planned, it may be more desirable to visit the republics of Brazil, Argentina, Paraguay, and Uruguay first, and then cross the Andes to Chile and in turn visit the capitals of the republics on the west coast, returning via Panama.

Factors Involved.—Trips of investigation, particularly when the time is limited, should be made preferably to the capitals. A study of practically all of the Latin American countries will reveal that the great bulk of the population is located in the principal cities. The population of South America is found largely on the border or around the rim of the continent. An understanding of the conditions that exist in the other parts of the countries may

easily be secured by a series of short trips to the small towns, to large ranches, *estancias* or *haciendas*, etc.

Expense of Traveling.—Many business men are deterred from making trips to Latin America because of the expenses of travel, but frequently these have been exaggerated. In most instances trips could be arranged, the cost of which would not involve greater expense than those of an ordinary vacation. Generally speaking, the expenses, including the railroad and steamship fare, with the necessary baggage, will average from \$7.00 to \$10.00 per day, depending naturally upon the cities visited and the hotels selected for stopping places. It is inadvisable to carry trunks which weigh more than 125 pounds as they add materially to the expenses.

The Condition of Transportation.—The passenger who travels between the United States and Latin America finds that the accommodations are, on the whole, very favorable. A number of lines plying between New York and the Argentine operate steamers that may be compared in a general way with the better class of ships in the slower routes in the European American trade. Between the southern parts of the United States and Central America steamer accommodations are also very desirable. In the larger ships the staterooms are modern and artificially cooled, while the fare is of a high degree of excellence. Where it is necessary to travel by rail in the Latin American countries, the railroads, for the most part, offer excellent accommodations. The sleeping cars are sometimes even better than American Pullmans and where long trips are necessary good dining car service is provided.

Traveling Conditions in Latin America.—The conditions which affect traveling vary so greatly that it is impossible to speak of them except in the most general terms. It is now, however, possible to reach practically every important place in Latin America without difficulty, either by steamship or rail. For the most part, the accommodations are good, but naturally these are influenced by the amount of travel, the importance of the route, the locality, and similar determining factors, as in the United States.

The Character of the Hotels.—Naturally in a territory as large as Latin America and with as varying conditions, there are many classes of hotels; hence here again it is possible only to generalize. In the larger cities, such as Buenos Aires, Mexico City, Havana, etc., the good hotels equal in accommodations and service those of the

larger communities of the United States, although the prices are higher. In the smaller towns the hotels are often of a very low order although in some places comfortable accommodations can be had; in fact the modern conveniences are becoming more and more common. The traveler can usually obtain information regarding the best hotels at which to stop by discussing the subject with fellow travelers, with friends, with steamship officials, or with merchants in the port previous to the new one to be visited.

How to Obtain Specific Information.—Literature regarding the individual countries is rapidly on the increase and a number of excellent books have recently been published. These will be found listed on page 478.

Suggestions for Clothing.—The traveler who visits Latin America must provide himself with clothing appropriate to several climates. If he confines his movements to the tropical regions, clothing appropriate to the summers of the northerly latitudes will suffice. If it is necessary to visit the interior or plateau regions, heavier clothing must be carried, particularly woolen underwear and overcoats. If visits to remote sections are anticipated, where conditions are more primitive, and first-class accommodations are not available, it is advisable to make provisions for personal conveniences. The following brief suggestions will prove valuable:

Outer Garments. Linen, cotton, or duck trousers and coat. Some travelers object to these because of the expense of laundering them since many changes are required, and therefore they are not practical. Room is also required in trunks; however, they are natty and cool. They can be obtained at reasonable prices in the port cities. The fabric known as "Palm Beach" is also worn but many experienced travelers prefer simple blue serge which is both cool and serviceable. The objection to the wearing of khaki is that the wearer presents the appearance of an official or military man, which is frequently disadvantageous in the interior. For trips into the interior (made on horseback), stout woolen suits should be worn. For dress purposes, the ordinary black dress clothes are indispensable. In those cities which enjoy a temperate climate, the clothing worn under similar conditions in the United States is appropriate. Frock suits are in demand and the silk hat is more widely used in Latin America than in the United States.

Underwear. Anything that is comfortable may be used, and only

the individual needs of the traveler should be considered. It is advisable, however, to carry both light and heavy weight because of the frequent changes, and on account of wind in traveling from the lower to the higher regions. The use of an abdominal band, which is easily put on and taken off, is advisable in the mountains.

Necessities for Horseback Trips.—Travelers who are compelled to make overland trips on mule or horseback should provide themselves with a complete traveling outfit. This naturally consists of a traveling suit of wool, already referred to, a broad-brimmed soft hat, heavy socks, thick-soled shoes, leather riding boots, and close-fitting puttees. The latter should be high laced, as they tend to keep out the insects known as *garapatos*, jiggers, etc. A flexible waterproof bag, which is easily rolled up and strapped behind the saddle, must also be used. In this can be placed necessary changes of clothing and simple articles of food which must be kept therein. A rubber coat should also be bought. The best variety is the ordinary black rubber coat which will keep off the heavy rain. The ordinary raincoat will not withstand the tropical downpours and the slickers sometimes used are often too heavy.

Some travelers prefer the poncho, which is a heavy rubber blanket with a hole in the middle through which the head is placed. It serves to cover both the rider and the horse, permitting the heavy rain to run off. The carrying of one's own sheets, blankets, and pillows is advisable, and if a long trip to the interior is to be made a strong hammock should invariably be carried.

In some instances a strong folding cot is preferable to a hammock, although the latter has advantages. When possible an air mattress is also a highly appreciated luxury, as is a strong rug. This is because of the fact that sleeping accommodations are often far from inviting. A mosquito bar is likewise essential and particularly so for use on river steamers. The best sort of bar is one which folds, the modern canopy effect being especially desirable. In this connection mosquito nettings or gauze coverings for the head should also be purchased before departure, and gloves with which to protect the hands where mosquitoes are very abundant should likewise be included.

A durable electric pocket lamp will often prove highly useful. A liberal quantity of a preparation with which to anoint the body against insects should also be included in the kit. One of the best

is oil of citronella. The traveler who is accustomed to frequent shaving should include a liberal supply of shaving soap, ordinary toilet soap, and other necessities. A few strong towels should form a part of the baggage. In the dry regions a duster should be used, while a thick woolen shawl will frequently be found a great comfort. Under such conditions, also, shirts with soft collars will be found most comfortable.

All these articles should be purchased at home as they can be bought more reasonably than in Latin America.

Proper Saddles Important.—In order to obtain the maximum comfort while traveling a proper saddle is indispensable. It will generally be found that the native saddle is the best for the purpose but a leather-covered stirrup should be insisted upon. The broad leather covering will protect the legs against the trees and rocks with which they come in contact. In most countries the girth of the saddle should be small as the horses are generally not large.

The traveler should guard against being overheated and should always walk in the shade in preference to the sun. At midday he should studiously avoid the street.

Water. This should be eschewed, except in large cities where absolute assurance of its purity can be obtained. The fact that the source of the water supply is the mountains is no guarantee of its purity, because of the danger of its contamination in transit. In the uplands of Peru, for instance, the water from the mountains is said to cause a sickness known as viruga, or Couzens disease.

Mineral Waters. If these are well-known foreign brands, the traveler is perfectly safe. Local brands should be regarded with the utmost suspicion as frequently they are full of impurities and bacilli.

Vegetables. Because of the fact that they are washed in water, salads, etc., should be avoided. Generally speaking, vegetables are only perfectly safe if cooked or boiled.

Diseases to be Feared.—On the whole, health conditions in Latin America are such that the traveler who exercises ordinary care need have no particular fear. By guarding against unnecessary exposure and observing caution in regard to personal habits in addition to careful personal hygiene, any danger is minimized. Small-

pox naturally exists, but is due to the lack of cleanliness and can easily be guarded against by vaccination. No traveler should visit Latin America without this precaution. Yellow fever exists in certain swampy localities and the mosquito net is the best protection. The bubonic plague is known in certain ports, but there is practically no danger therefrom. Leprosy exists, but presents no danger. Beri-beri, when found, is usually the result of lack of nourishment. Typhoid fever is quite prevalent in certain places but is diminishing. This should be guarded against by avoiding water, uncooked vegetables, etc., and by the use of an anti-typhoid injection. Malaria exists chiefly in the countries and villages, and is caused by lack of proper sanitary conveniences. It is carried chiefly by the mosquito, against which the net is the best protection. Tuberculosis is the cause of a very high death rate in many of the upland cities. It is superinduced by the bad housing conditions and often results from pneumonia which is caused by the rapid fluctuations in the temperature. In some places there is a change from 104 degrees Fahrenheit in the sun to 37 degrees Fahrenheit in the shade. Soroche, or mountain sickness, is caused by the high elevations. Its symptoms are a severe headache, vomiting, nausea, etc., brought on by the diminished atmospheric pressure.

Conditions Affecting Health.—Because of the wide range of climate in Latin America it is only possible to speak in general terms regarding health conditions. In the larger cities sanitation is usually all that can be desired, but in the smaller towns conditions are often not so favorable, although in many places where modern sanitary methods have not been adopted efforts are being made to correct the defect. It is extremely important that the traveler, especially in the cities near the equator, shall observe more than the ordinary rules of hygiene, and care should be taken not to expose oneself more than necessary. The following specific suggestions will be found useful:

Insects. The mosquito is one of the pests which the traveler should seek to avoid, inasmuch as yellow fever, malaria, and other diseases may be contracted therefrom. For that reason a mosquito bar should invariably be used.

Alcohol. The use of alcohol should be foregone in all its forms as it is far more dangerous than in the United States.

Sudden Chill. One of the peculiarities of the tropical highlands is the extreme difference between the temperature in the sun and in the shade. This is even more marked in the case of the fall in the temperature between night and day. It can be most easily avoided by a gradual ascent from the lowlands to the uplands, with stops at various altitudes to accommodate the organs to the changing conditions.

Snow Blindness. This frequently causes inconvenience to travelers who cross the snow fields of the Andes. Colored glasses should be carried as a protection.

Anemia is suffered principally by the natives and is due to the lack of hygienic conditions.

Medicine Case Needed.—Experienced travelers recommend the carrying of a medicine case containing simple remedies. These include, in addition to the oil of citronella, quinine pills or tablets, calomel tablets, vaseline, alcohol, and other ordinary remedies. Some gauze bandages, court plaster, and similar materials will be found useful.

CHAPTER VIII

THE MERCHANTS OF LATIN AMERICA. THEIR BUSINESS CUSTOMS AND METHODS. THE STORES AND SHOPS

Many misconceptions prevail regarding the people of Latin America. Among business men in particular there is a general lack of knowledge of the merchants of the southern republics.

It is highly essential, if business is to be transacted properly, that the manufacturer should have a thorough knowledge of his correspondents and analyze very carefully the many conflicting elements with which he must contend. Such analysis serves to emphasize the necessity for a scientific consideration of the principles underlying export business. The American business man after such study will more fully realize the marked difference in conditions between a domestic and a foreign market.

The Kinds of Merchants.—The business establishments of Latin America in general are of two classes: (1) those owned by foreigners (German, English, French, Spanish, Italian, Portuguese, etc.); and (2) those conducted by natives.

The necessity for differentiating will be more readily appreciated if the following statistics of foreigners in business, in the city of Buenos Aires alone, are taken into consideration. The number of business houses there total 29,690, exclusive of industrial or manufacturing plants. Of these 12,383 are Italian, 12,783 Spanish, 4,358 Argentine. The number of German houses in Buenos Aires is 299 and of British 163, while of Americans there are probably between 70 and 80. In other cities the number of foreigners will vary materially from the foregoing but the Spanish generally outnumber the Italians; in other communities, as in the city of Guatemala, for instance, the German is the predominating element.

Development of the Latin American.—As the natives of the different countries are an important factor in Latin American commerce, a consideration of their character is essential. The view-

point of Latin Americans cannot be understood without an analysis of their development.

The inhabitants of Latin America are regarded by most people either as Spaniards or Portuguese, and in some instances as mongrels or half-breeds. However, the Latin American is a special type and the greater bulk of the population is of the mixed or Mestizo class, mixed Spanish and Indian blood. Many of the native merchants are of this extraction. In some of the republics the Mestizo class is very small. This is particularly true of Costa Rica, while in Guatemala the extreme opposite is the case, the native Indian population being far in excess of the Mestizo.

Mingling of the Races.—In Latin American countries the mingling of the races has been of questionable influence. In the days of the conquest the immigrants from Europe were the lowest type of adventurers who intermarried with the native Indian women. In the course of years since the founding of these countries there has been considerable intermarriage and numerous types have arisen. As a result, the white population is, to a very large extent, mixed, and has at least a certain proportion of aboriginal blood. Generally speaking, the inhabitants of Latin America may be classified as follows:

1. Whites, with a greater or lesser percentage of other blood.
2. The Mestizos, or white and aboriginal.
3. Pure Indian.
4. The Mulatto.
5. The Sambo, the result of intermarriage of Indian and black.
6. Miscellaneous groups too widely differentiated to describe in detail.

The Distribution of the Races.—To the Mestizo class belong the bulk of the population of Chile, Peru, Brazil, Mexico and other South and Central American republics. The pure Indian is found in many of the countries of Central America and likewise in Mexico. The Mulatto is most common in certain parts of Brazil, in the Atlantic Coast regions of the Central American republics, in Cuba and Porto Rico. The Sambo is most often found in certain districts of Brazil.

The Difference Among the Lower Classes.—It is interesting to contrast the classes of the population of the various republics. In Mexico the laborer is known as the peon, while in Chile those

who make up this strata of society are called *rotos*. The agricultural laborer of Chile is of a higher class than the peon of Mexico and bears the name of *inquilino* and is on the whole a very industrious law-abiding citizen. The *cholo* of Ecuador, Bolivia, and Peru, corresponds to the Mexican peon, while the *pongo* of Bolivia is of a somewhat higher type.

The Buyers of American Products.—The American manufacturer must consider all specific problems in connection with export trade. One of these is the subject of the actual importers of American products. Sales of American wares can be made to the following:

1. *General Importers.* These will act as distributors for a country or district or buy for their own account; their sales are made at retail or wholesale without restriction regarding territory.

2. *The Wholesale Merchant Jobbers.* This class of dealers requires little explanation. Importations are made in quantities for sales to dealers.

3. *The Retailers in Position to Import for Their Own Account.* The latter class is not clearly defined and only by personal visits or sales by local agents able to judge of conditions can their qualifications be determined. Many losses have been sustained by manufacturers who have failed to discriminate and have sold to retailers whose purchases did not warrant direct importations and who should have supplied their requirements in the nearest wholesale houses.

4. *Large Individual Importers or Companies.* These include railroad and industrial companies or important farm owners, etc.

The Attitude of Dealers.—In discussing the subject of sales to Latin Americans, the attitude of dealers toward the general problem of merchandising must be considered. This is an interesting topic and essential in studying the possibilities of the markets. In the first place, with but rare exceptions, retail prices are higher in Latin America than in the United States. This is due to the fact that dealers, because of financial and credit conditions, are compelled to have a larger margin of profit in order to cover the high cost of doing business. With few exceptions duties must be paid on everything imported. The freight must be paid for a long ocean haul, and the charges of the customs brokers for clearance, and

the cost of inland transportation (in the United States as well as in the Latin American countries).

As the possibilities of frequent "turn-over" are not so easy as in the United States, because of local conditions, dealers must necessarily obtain high prices. Advantage is also taken of the demand for novelties to calculate liberal profits.

The Stores and Buildings.—The visitor to the principal capitals of the Latin American countries will be struck by the fact that many of the business buildings are as modern in every respect as those of the great cities of the United States. The show windows, display fixtures, appliances, etc., are those that will be found in commercial establishments of a similar class at home. In the smaller communities, however, a marked difference is noticeable. The business houses there are frequently of only one story, and in the more remote places they are of the old Spanish style, with thick walls and small windows. It is in the modernizing of this commercial feature that many opportunities exist. Americans who avail themselves of the possibilities in the readjustment to the new conditions will undoubtedly profit.

Various Methods of Merchandising.—In consequence of increasing competition, the commercial situation in Latin America is fast becoming as complex as in the United States. In order to make an intelligent effort for its trade a study of modern merchandising methods is helpful. This can best be done by considering in sequence the various kinds of buyers. In the larger cities merchandising and importing generally are carried on in a manner very similar to that customary in the United States. The complexity of trade and the high plane which commerce has reached makes specializing more necessary than in the smaller communities. A study of the importers will help to make this problem more intelligible.

General Importers.—One of the chief reasons why mailing lists of Latin America are so unsatisfactory is that merchants are frequently classified only under one heading, notwithstanding the fact that they may deal in a wide variety of products. The purchases of general importers frequently embrace almost every conceivable kind of merchandise. In addition to making such importations, this class of dealer will often be engaged in the representation of manufacturers on a commission basis, in banking or

foreign exchange business, in placing insurance, and not infrequently he will be actively engaged in industrial enterprises. Very often a retail as well as a wholesale business is conducted. This character of trading is common in the ports of lesser importance where only in rare instances dealers confine themselves to one branch of commerce.

Wholesale Establishments.—Until a comparatively recent date it was unusual for a merchant, when engaged in wholesale trade, to confine his efforts to one class of merchandise exclusively, such as dry goods, notions, etc. However, trade development has wrought a marked change and in the capitals, such as Mexico City, Havana, Rio de Janeiro, and Buenos Aires, the number of houses devoted exclusively to one kind of merchandise is rapidly increasing.

Industrial Establishments.—In many places in Latin America the proprietors of manufacturing plants are in position to make direct importation. They are accustomed to look to the producers of machinery, tools, appliances, etc., and are unwilling to depend upon local importers. Such establishments offer an excellent field for importers in certain lines.

Railroad and Transportation Companies.—The railroad and transportation companies of Latin America are frequently conducted identically as are similar corporations in the United States. These institutions likewise make direct importations, and maintain highly efficient purchasing departments through which their needs are supplied. These must receive special attention.

Importers of Special Commodities.—Another group of buyers in Latin America are accustomed to make direct importations of their necessities. These include the handlers of coal, coke, fuel, supplies for ship-chandlers, etc. In this same category may be placed the contractors and builders who make special contracts for large lots.

Individuals Who Buy on a Large Scale.—In practically every country in Latin America there will be found certain individuals whose operations are so large that their needs and important products and manufactures frequently exceed those of merchants. Such individuals make their purchases direct, and must be taken into account by American manufacturers and importers.

Department Stores.—The department store of the American type, engaged in the sale of every possible article, does not exist

in Latin America. The nearest approach to such stores has been the large retail dry goods establishments found in practically all the capitals. In late years additions have been made to the number of the lines carried, but the variety is not yet so large as that of the department stores of the United States. These stores, naturally, are importers.

Retail Stores and Shops.—It is in this branch of merchandising that the conditions in Latin America most nearly resemble those in this country. There are in the larger cities of Latin America a much larger number of individuals who conduct retail stores devoted to only one kind of merchandise such as dry goods, hats, groceries, liquors, etc. These firms make up the bulk of the average mailing list and it is because of such names that much postage is wasted, as only a small percentage of these dealers are in a position to import, and therefore supply their requirements in the wholesale houses of the larger centers.

General Stores.—In the rural communities, mining camps, and in the smaller port towns, the general store is found to the same extent as in the United States. Here are sold all varieties of merchandise and the extent of stock varies in direct proportion to the population of the district served, the wealth of the possible buyers, and other conditions which determine the carrying of stocks in the United States. The more progressive dealers often act as supply depots for the smaller stores, *tirundacitas*, to which they sell at wholesale, as also to the itinerant merchants who are quite important factors in certain countries. It is to these sources of supply that the small retailers or storekeepers make periodical visits (once or twice a year) to purchase supplies. Whether the general store can afford to import direct is dependent upon many circumstances. The volume of direct purchases made by such stores is increasing, but as a general rule, especially in the interior, unless a very large volume of business is transacted the general dealer depends upon the large importer in one of the principal cities.

Markets and Fairs.—Noteworthy features of Latin American business, particularly in those countries having a large native population, are the markets and fairs. It is to these markets, usually held on Sundays although occasionally twice a week, that the natives flock, carrying with them their handiwork or products. The markets are generally large open spaces surrounded by struc-

tures which contain booths and shops, and here trading is carried on vigorously. The markets are the chief source of the vegetable supply for the community; here will also be found the thousand and one knickknacks which appeal to the fancy of the native; including his simple necessities, which in most of the republics form the chief staples of commerce. Fairs are held at intervals, and to these come natives and traders by thousands.

The amount of business done at these annual or semiannual gatherings is often of a large volume, and the importance of the community is judged by the number of natives who come on market day.

Consideration for Customs.—In order to enter fully into the commercial life of the people, a knowledge of their language is indispensable. An attempt to do business through an interpreter is usually a failure. Under any circumstances, even though the visitor does not speak Spanish, consideration should be shown for the methods and ideals of the people, to the extent of not arousing their prejudice. Those concerns which have been most successful in establishing business in Latin America have been quick to take into consideration the traditions of the men with whom they dealt and have treated them as intelligent, self-respecting, capable merchants. They have recognized that the likes and the dislikes of the Latin Americans are not those of the North Americans, and that the people had therefore to be measured by a different standard from that which was applied to their own countrymen.

In dealing with Latin American merchants, it is essential to avoid certain delicate questions. These are: local or national politics; the religion of the people; reference to customs which may seem strange or unusual; connection with questionable claims or concessions.

Some Important Business Customs.—In seeking to do business with Latin American merchants it is also important to observe the customs which characterize business transactions of that people. The failure of Americans to win a foothold may frequently be attributed to a neglect of this vital factor. An analysis of the character of the Latin Americans is therefore desirable and can best be accomplished by a consideration of their qualities.

Conservatism. As a class their business men are extremely conservative. They resent being persuaded against their will to

make purchases and the traveler who pursues a contrary policy will find it disastrous. This is particularly true on church or national holidays or at the periods when dealers are unusually busy.

Progressiveness. Despite their conservatism the Latin Americans appreciate progress and are willing to take advantage of the development of science in every phase of advancement. They offer a fine field for American enterprise but must be convinced that it is to their advantage to buy the article offered.

Loyalty. One of the characteristics for which the people of the southern republics are noted is their trade loyalty. When pleased with the treatment they receive or with the merchandise they buy, it is very difficult for one competitor to dislodge another. For this reason careful attention to first orders is essential.

Reliability. As a class the Latin American merchant is reliable and may be trusted to fulfill his obligations. In many instances a verbal promise to an agreement is sufficient without further documents. Naturally there are exceptions to this rule but commercial honor is, on the whole, very high.

Efficiency. Because of the complex tariffs, freight rates, etc., Latin American merchants are accustomed to calculate very closely, and as a result are among the best traders in the world. From boyhood they are trained in thoroughness. It is conceded by manufacturers who are accustomed to do business both in the United States and Latin America, that the merchants of the latter field are far more efficient than similar dealers in the domestic market.

Regard for Culture. As a class the Latin Americans have a fine artistic sense and a higher regard for culture, literature, music, and the fine arts than most Americans. As they are swayed by sentiment, their love or hate may be easily aroused.

Politeness and Hospitality. The Latin American, even when reluctant to buy, is extremely polite, and much may be accomplished by the alert representative who recognizes this fact and takes advantage of it by being equally polite. The Latin American's reputation for hospitality is well deserved and he will go to great lengths for those who come well recommended.

Politeness in Business Relations. It is far easier to reason with

and persuade a Latin American merchant by courteous argument, than it is to cajole or drive him. He is as polite in his business relations as in his social intercourse and he naturally expects the same courtesies under both conditions. He is very appreciative of those who recognize his peculiarities and who try to meet his views, and he remembers any attempts to deceive or mislead him. On the other hand, once his confidence has been won it is difficult to undermine it.

Observance of Customs.—As a concrete example of Latin American politeness may be cited the custom of removing the hat when approaching a merchant, even when one recognizes a passing acquaintance on the street. A failure to observe this simple rule often brands a traveler as lacking in good manners and makes it far more difficult for him to get a hearing.

The Resident Foreign Merchants.—Reference has already been made to the large number of foreign merchants found in practically all Latin American cities. Naturally they too are influenced by the customs of the countries, and their business methods and ideas are in general those described. This is easily accounted for inasmuch as clerks in the establishments are natives and frequently obtained their training in local business houses. When allowance is made for personality, and the characteristics of each race, a foreigner in Latin America may best be approached in the general manner that is used in soliciting business from the native dealer.

Business Hours in General.—The North American who visits Latin American countries for the first time will be impressed by the apparently leisurely manner of conducting business. The lack of the intensity so characteristic of the United States is evident even in the large cities. This is especially surprising to those who consider the hours devoted to business rather short. In the cities, business generally begins at 8:00 o'clock. The stores are closed at noon for several hours, remaining shut until 2:30 or 3:00. The custom may seem strange but is due to the stringency of life in the tropics. The streets are generally deserted, consequently no sales are lost, and most Latin American business men take lunch at home. Very often the living apartment, even in the case of well-to-do merchants, is above the store. The favorite shopping hours are from three to six, and the offices of many business establishments are open until 7 or 8. In the smaller stores, as is the case in

the United States, the closing hour is sometime later. In temperate latitudes, the custom of closing does not prevail to the same extent, although there is a far greater conservation of energy throughout Latin America than is the case in the United States, and this has been found decidedly advantageous.

Value of Personal Relations.—Among the most successful representatives in Latin America are those who have shown an unusual interest in the personal relations of their customers. It is time well spent to take note of the birthdays of the customer and his family, to be remembered later with letters, postal cards or small gifts. Furthermore, the dealer who is so remembered by a representative who later assumes charge of a foreign department and who continues the custom of writing, will feel himself under strong obligations and can be held against even the most vigorous competition. Innumerable instances are on record where this personal touch has maintained the loyalty of the importer against lower prices. Such remembrances may also be suggested for use upon fête days or other anniversaries which fill a very important part in the life of the Latin American people.

How Business is Done.—Much has been written regarding the business customs of Latin America and perhaps no phase of the relations with these merchants has been subject to more erroneous treatment. The principles of doing business are the same as those which underlie commercial transactions in the United States, but naturally there is a difference in application, based upon the fundamental difference in character between the merchants of Latin America and those of this country. There is also a marked difference between the business methods which prevail in the larger cities, where commercial affairs receive more attention, and transactions in the less important communities where business is carried on more leisurely. The exact method of approach varies with the character of the merchant but the experienced commercial traveler has found that in the larger cities the alert, progressive dealer would resent the methods employed to win the confidence and respect of the merchant in the smaller town.

This applies with particular force to the custom, widely recommended by some travelers, of making preliminary visits to present letters of introduction and gradually leading up to a discussion of business. This method is found highly successful in smaller towns

but in the larger places (such as the capitals), the representative would find this means highly ineffective.

Although conditions have undergone a marked change, especially in the larger cities where commercial affairs are at a higher tension, the principles applicable to domestic sales promotion apply with equal force to Latin America. The successful traveler will adapt himself to the circumstances that he finds, which are as dissimilar in the southern republics as in the United States. Adaptability is the prime essential of a traveler.

Business Details.—For the purpose of avoiding misunderstanding, it is desirable that all orders placed by Latin American merchants be signed. The American firm will find it advantageous to instruct its representative, either local or traveling, to leave a carbon copy of the order placed, on which the signature of the buyer is also shown. No changes should be made on the original order unless such are also made on the duplicate. In this way all danger of misunderstandings may be avoided.

Opportunities for Public Contracts.—With the extension of North American financial assistance to Latin America, the opportunities for citizens of the United States to obtain national, state and municipal contracts become more numerous. Naturally, these can only be obtained by a representative on the ground who is familiar with all the details and procedure necessary. In general, such undertakings are profitable, but the interests of the contractor should be safeguarded.

Factors to Consider in Public Work.—Because of local conditions it is essential in submitting bids, or in making estimates for public work, to take into consideration not alone the financial condition of the municipal, state or national government, but other important factors which may result in loss of profits. One of these is the fluctuations in exchange, for it is evident that if settlement had been fixed upon a day when the quotations were unfavorable to the contractor, serious losses might follow his nonpayment. For such eventualities a margin should be allowed and every item in a bid should be subjected to scrutiny as well as to severe check.

Safeguarding Customs Duties.—The contracts made with Latin American countries, whether of a national, state or municipal nature, often require that duties be paid on the materials im-

ported. Such duties are later refunded, but unless extreme caution is observed and the contracts are carefully drawn by lawyers with a knowledge of local procedure, obstacles may be placed in the way of their return. The letting of subcontracts must be carefully watched as it frequently happens that subcontractors are not sufficiently provided with capital and may become involved to such an extent that concessions or contracts are endangered.

Payments for public work are often made out of a budget allowance and the contractor must make certain that his contracts are provided for in the budget approved by the national legislature or state assembly. A very definite understanding regarding payments, and particularly as to the money in which settlement is to be made, should be insisted upon before contracts are signed. Because of the depreciated currency in some of the republics there should be no question as to what money will be used for payment.

Legal Conditions in Latin America.—Legal systems of the Latin American republics are, in general, based on the old Roman laws and the Code Napoléon has also influenced the passage of many laws. While there is a great similarity in the laws of the twenty republics, nevertheless they vary materially and the procedure in general is complicated. The theory that all legal proceedings must be written holds good to a very large extent. It is customary to use the official stamped paper in the preparation of documents and the notary public who must attest to the genuineness of the document is an important figure in Latin American legal proceedings. Because of the complicated system lawyers should always be selected with great care, and the recommendation of banks or other trustworthy authorities should be required. The services of lawyers in the preparation of contracts for public work is especially urgent because of the possibility of embargoes being placed on work in process in consequence of the failure of a local contractor to comply with necessary stipulations or because of his lack of funds.

Commercial Registration.—In the appointment of local agents or the opening of branch offices it is essential to take into consideration local, state and national laws. In practically all the republics a registration of some sort must be filed by anyone engaging in business, certain books must be kept according to law and stamped at intervals by specified authorities. Inasmuch as the account

books are not legally recognized unless properly stamped, it is essential that all legal regulations be carefully followed to insure collection of possible claims that it may be necessary to file. The regulations regarding licenses, the payment of taxes, etc., should all be looked into at the outset to avoid embarrassing complications.

Power of Attorney Important.—The importance of documentary evidence of authority cannot be overemphasized. Throughout Latin America a power of attorney, properly executed, should be furnished to anyone who may be called upon to act quickly in the interests of another. The showing of a power of attorney may frequently result in important saving, both of money and time. When any matter requiring the attention of a lawyer is forwarded to Latin America for attention, and especially when legal action is necessary, a power of attorney should invariably accompany it. This document should be very specific and should state fully the extent of the authority which it is desired to grant. It is customary in the preparation of a power of attorney to have it bear the signature of the grantor, to which is affixed an acknowledgment of a notary public, the latter's signature then being attested by the clerk of a local court, whose signature in turn is witnessed by a consul of the country to which the power of attorney is to be sent. In some cases it may prove advisable to have it viséed by the Secretary of State at Washington and in turn by the Minister or Ambassador of the Latin American republic in Washington.

The Mining Laws of Latin America.—The laws relating to mining operations differ greatly in the various republics. In some instances they are extremely favorable, but in others there is a considerable element of risk. In general they are based on a system of registration, a claim being denounced and then worked subject to the payment of certain taxes. A danger that must be guarded against is that of possible legal proceedings after the mine has been developed and is approaching a profitable stage, this being accomplished by the filing of claims and the beginning of legal proceedings which often become very complicated. For this reason, as in the case of all matters likely to become subjects of local procedure, the services of the best lawyer obtainable should be invoked.

CHAPTER IX

CORRESPONDENCE WITH LATIN AMERICAN MERCHANTS. RECORDS AND FILING

Introduction.—In transacting business with Latin America, proper methods of correspondence will be found valuable aids to success. So important is letter writing in the conduct of domestic commerce that whole volumes dealing with only this topic have been written by authorities. Many firms which have been very successful in the Latin American field attribute their growth largely to the painstaking care with which they have conducted this department of their business.

The Importance of Languages.—As so much has been said and written relative to the use of the language of a people in communicating with its merchants, it seems almost trite to refer to it. Every effort should be made to address the buyer of Latin America in his own language—that is, Spanish to all countries save Brazil, where Portuguese is spoken, and Haiti, where French should be used. In this connection, the importance of differentiating between Spanish and Portuguese must be emphasized, as there is a marked dislike on the part of Portuguese-speaking people to have their tongue confounded with Spanish.

Why Spanish Will Always Be a Great Factor.—The population of the twenty Latin American republics today is 50,000,000; in 1920 it will probably be 65,000,000; in 1950, 90,000,000. It is evident, therefore, that this great body of people will continue to use Spanish indefinitely, and it is unreasonable to assume that a people, accustomed to a language so beautiful and with such great traditions, will adopt the English tongue.

Conforming to Latin American Standards.—In dealing with the Latin American people it must be remembered that they are a different race from ours with utterly distinct ideas and ideals, the opposites, in temperament, of the Americans. To do business with them successfully, it is necessary to approach all matters from

their point of view and to conform as closely as possible to their standards. The peculiarities of the Latin American people must be known and recognized.

How Latin Americans Regard Letters.—Because of distance, difficulty of translation, and the infrequency of mail in many places, correspondence is looked upon as a most important art. In the business life of the Latin American merchant, letters are events. Until a very recent date, Latin American business houses were not accustomed to receive the masses of printed matter that deluge the average American business man. It is still the case today in the remote places. For this reason, merchants are accustomed to view letters much more carefully than the American dealer. They accordingly scrutinize and criticize more severely than do business men in the United States.

Training for Letter Writing.—The young business man of Latin America is early taught the importance of correspondence, and in the apprenticeship that he is accustomed to serve he is given a special training therein. Neatness, care in composition, and accuracy are exacted, and most letters, even from merchants who have but a limited education, are far more carefully written than is the case in this country. As an example of the importance accorded letter writing may be cited the custom which obtains in many Latin American business houses, where the heads of the firm still frequently use the typewriter and themselves write letters, particularly the more important and confidential ones.

The Importance of Stationery.—The importance of proper stationery is even greater in the case of Latin American correspondence than in domestic correspondence. Remembering that the distant importer's confidence must be won ere even a trial order is sent, the careful American exporter should make sure that the stationery which carries his sales arguments is not of a character to prejudice his prospective customer and create the impression of slovenliness or carelessness. Because of the high rate of postage the paper selected should be light but very firm, and it will be found economical to select a stock that will properly impress the recipient even though the price may be higher. Extremes in printing, designs, and color should be avoided and the very best mechanical effect, that is, the typing, should be insisted upon. The stationery used for domestic correspondence may be used, but

occasionally the words "Foreign Department" or "Latin American Department" are added, and even the name of the manager. The code used for cabling and the cable address should never be omitted.

Attention to Little Details.—The proper addressing of letters can be greatly aided by making sure of the country. To that end the foreign department should be permitted to see not only every letter, but the envelope in which it comes. When the name of the country has been omitted from the letterhead, which often happens, the stamp will supply this deficiency.

Literal Translations Should Be Avoided.—A serious objection to many letters written by American houses, even though in Spanish, is that they are literal translations. The result is fearful and wonderful to behold. When a letter is drafted in English and given to a Spanish-speaking clerk for translation, it should be with instructions to do it in idiomatic Spanish. In this connection, the importance of having a well-educated clerk should be emphasized. Many manufacturers employ young men whose native language is Spanish but who, because of lack of training, particularly in business correspondence, cannot render adequate service. If the manufacturer himself does not speak the language, he should satisfy himself that the clerk is competent in order that his letters may not be held up to ridicule.

Various Faults in Letter Writing.—The Latin American people who are accustomed to attend to their business as to their ordinary pursuits—in a leisurely manner—object vigorously to the terse, blunt form of correspondence so much in vogue in the United States. This is because they are used to the other extreme—a more extensive salutation, thoughtfulness, a delicate touch, and what might even be considered a florid close. The average letter received by the Latin American merchant fails to impress him as it should, and he is often completely at a loss to account for what, in his estimate, amounts to a lack of respect or good breeding. Another cause for much criticism of American letters has been the employment of slang or idiomatic trade phrases peculiar to this country. These, whether literally translated or used as in the United States, are utterly unintelligible. Impolite or imperative phrases, which so frequently creep into American business letters either because of lack of education or in consequence of the haste in which business is conducted, are always extremely

disagreeable to the sensitive Latin American. The omission of such titles as Mr. or Messrs., that is, *Sr.* or *Sres.*, is another source of criticism. The Latin American is extremely punctilious and resents the omission of the prefix in correspondence. The signature which is stamped instead of written also arouses his ire. Form letters are instantly recognized, and if it is desired to build a permanent business of any volume they should not be used. Another serious fault for which American letters are condemned is the use of a signature "Per ——," instead of the actual signature of an official, accompanied by his title. It will invariably prove advantageous to use the signature of one of the heads of the concern.

Portuguese in Correspondence with Brazil.—Reference has already been made to the fact that Portuguese is the native language of Brazil. The Brazilian, like the Portuguese, is very proud, and considers his own tongue superior to Spanish. The general rules relating to correspondence with the Spanish-speaking countries apply with equal force to Brazil.

Use of Other Languages.—It is natural to assume that the language of the country should be used by exporters in business correspondence with Latin America, even though with houses of foreign extraction, such as German, French, Italian, English, etc. However, it not infrequently happens that such foreign houses prefer to correspond in their own tongue. In such cases, where the preference can be ascertained, advantage may be derived from it by the American exporter who recognizes this preference. It may be laid down as a general rule that, with the exception of Brazil, Spanish should be used in business letters, even where the principals of the firm are of other nationality, since many of the employees are natives and letters should be intelligible to them. Letters in English are permissible when addressed to English or American firms whose correspondence is written in that tongue.

Promptness a Necessity.—In conducting correspondence with Latin American dealers it is highly important to recognize the necessity of promptness. This is so essential because of the time required for letters to reach their destination and the delays to which they are subjected in transportation. Tardiness in mailing documents covering a shipment or in advising the importer of its dispatch may prevent its prompt clearance through the

custom house. A failure to acknowledge promptly receipt of an inquiry or request for quotation may result in the loss of an order. The enterprising importer in Latin America is quick to recognize and to reward his American correspondent who attends promptly to his inquiries and orders and such attention will result in increased business.

Letters and Circulars in English Wasted.—So much has been written on the subject of sending advertising matter in English to Latin American countries that a repetition seems almost needless. While a considerable number of merchants in all the Latin American republics read or speak English, the great majority do not. The effect of letters and advertising matter in English may be understood when it is realized how few American houses could be induced to buy from French, Spanish, or German circulars and catalogs, particularly if the quotations and prices were in the monetary standards of the foreign country where they originated.

The Use of Follow-up Letters.—To those who are unacquainted with Latin American trade and wonder whether the American system of follow-up letters may be used to advantage in dealing with the southern republics, an affirmative reply may be given, as the principles underlying the solicitation of business there differ in no essential from the American. There are, however, wide differences in the application of the follow-up and a considerable business is now being done as a direct result of correspondence. When the conservatism and natural suspicion of the Latin American merchant toward unknown firms is considered, and it is remembered that his experiences with American houses have frequently been unfortunate, the value of an intelligent follow-up system is apparent.

The Kind of Follow-up Letters.—Quality and not quantity is preferable in follow-up work with Latin America. Just as the merchant of the southern republics judges critically the original letters he receives from his North American correspondents, so does he look upon the follow-up. It is foolish to assume that he is unaware of the system being used, and that anything will do to awaken his interest. Even the smaller merchants in the less important places have been receiving occasionally for years the literature of American firms. As in the case of printed matter in the United States, this has been of varying degrees of

excellence, and the educational work which has been done in this way makes it possible for the dealer in Latin America to discriminate easily between what is good and what is deficient. As the Latin American merchant is keenly appreciative, it will be readily seen that greater returns would follow a well considered follow-up campaign directed to a limited and selected number of names, than from an inefficient, indiscriminate circularizing of a large list, with letters of a low standard, lacking from every standpoint, in composition, execution, etc. As in the case of domestic follow-up work the necessity of constant experiments is evident. Letters should be carefully tried on groups of names and tabulated records of results should be kept. Letters and circulars should be changed as circumstances dictate in order that maximum efficiency may be obtained. Sufficient time and thought should be given this matter to insure adequate results.

Details in Mailing Important.—The inadequate system of many American houses frequently results in the omission from letters of price lists, quotations, circulars, etc. Catalogs, too, are often overlooked. The necessity for adopting a method which will insure the sending of all items referred to in correspondence is more evident when the factors of time, distance, and expense are considered. For a letter to reach its destination in Chile or Argentina requires fifteen to twenty-four days, and for a reply a similar period may be calculated upon. It is easy to understand the attitude of a merchant who has written for, and needs urgently, a quotation or a price list and catalog. The failure of an American house to forward printed matter to which reference is made in a letter, or to make a quotation, has resulted in orders being given to a more careful foreign competitor of whom quotations were simultaneously requested.

How to Insure the Mailing of Inclosures.—Various methods have been suggested to safeguard the sending of inclosures referred to in letters. These depend largely upon the size of the establishment. A safe rule to follow is to have the stenographer made responsible for the sending of inclosures. If it is necessary to have these sent from the advertising or any other department, a simple method of checking should be adopted whereby the mailing clerk insures that catalogs are forwarded the same day that the letter is mailed.

The Importance of Prepaying Postage.—One of the complaints most frequently made against American manufacturers and exporters is that of failure to prepay fully the postage. In most instances, this is due to carelessness on the part of employees, insomuch as the manufacturer who makes an earnest effort to gain South American trade would not deliberately overlook such an important point. The greatest care should be exercised that all letters and printed matter of every description carry the requisite amount of postage, otherwise a fine is imposed at destination, and this is for double the amount of the shortage. The rates of postage to South America are as follows:

First-class mail, that is, letters and all sealed envelopes, 5 cents for each half ounce.

On second-class (printed matter), one cent for two ounces.

One method of guarding against short postage which has proved very successful is that of having the stenographer mark on the envelope when writing the letter a figure 5, which will draw the attention of the mailing department to the necessity of placing thereon a five-cent stamp. Another method that has been equally successful is to have envelopes printed with a special mark where the stamp is placed, which will also make oversight less frequent. To guard against short payment of postage many firms use stationery of a different color for foreign correspondence.

Proper Construction of Sales Letters.—The construction of sales letters to Latin America should be considered with even greater care than are similar communications in the United States where their importance has long been recognized. The dealer who solicits a quotation can more easily be induced to buy if the advantages of an article in which he indicates an interest are presented in a clear, logical, forceful manner. It must be remembered that the prospective buyer is in a distant country, and that in addition to the freight charges incurred by the long voyage, numerous outlays for duty, custom agents, interior freights, and handling must be incurred before he receives the shipment. As this makes for conservatism, descriptions should be full, simple, clear, and written in the most logical manner in order to win the complete confidence of the importer. It is unreasonable to expect adequate returns if much is left to the imagination of the recipient or merely stereotyped phrases are used. Prices and discounts should

also be quoted with extreme care in order that quotations may not get into the wrong hands, that is, firms or individuals whose purchases would not entitle them to wholesale prices. Orders are sometimes sent to manufacturers by individuals who wish to purchase only for their own account; if such orders come to the knowledge of wholesale importers, the latter will not patronize the firms who sell to those whose trade they consider rightfully their own.

The Use of Sales Arguments.—The selling of merchandise by mail is fast being placed on a scientific basis. In no other activity in connection with export trade is it so important to apply scientific principles, and this must be done with the Latin American point of view always in mind. Letters that are written for the purpose of selling merchandise should strongly emphasize the advantages of articles which it is sought to export and the prospective buyer should be given a clear, easily understood statement of the features and purposes of the article offered. As the cost of correspondence with Latin America is so much greater than in the domestic field, the highest efficiency should be sought in order that waste in postage, printed matter, and stationery may be eliminated.

Why Technical Terms Should Be Avoided.—In addition to avoiding slang, the manufacturer should use as few technical or trade terms as possible. This is because such terms are difficult to translate and not readily understood by the average reader. When it is absolutely necessary to employ technical words the manufacturer should safeguard his description by submitting them to a technical native expert familiar not only with Spanish but particularly with the trade, profession, or art in which the technical words are used. The most painstaking care in this matter will result in greater clarity of description and consequent better results from the printed matter. It is far better to authorize a free, easy translation which conveys the full meaning, than to confine the translator to a literal rendition of difficult subject-matter. Very few catalogs in any technical line are intelligible in a foreign language, even to experts. In order to obtain the best results it should be assumed that the recipient of correspondence or printed matter possesses no knowledge whatever of the subject, and therefore all details should be made absolutely clear and intelligible. This applies not only to terms, discounts, and descrip-

tions, but to standards of measure and value. In many instances widely used trade terms and classifications possess distinct meanings in other countries; hence they should be so expressed that there is no possibility of error or misunderstanding. A safe rule to follow is that of insisting upon absolute clarity and completeness in expression.

Aids to Correspondence. On page 466 will be found lists of books relating to correspondence with Latin America. These will prove of value to the Foreign Correspondence Department, as will also the lists of technical dictionaries, etc., listed on page 467.

The Importance of Keeping Records.—In building a business with Latin America, much work must necessarily be done which brings no immediate results. If the greatest benefits for the money expended in correspondence are desired, proper filing and record keeping are indispensable adjuncts. The use of the material accumulated in correspondence over a period of years is invaluable, and should be kept in such a form as to be quickly available for consultation, especially to place before a traveler about to make a first trip.

Cards, Files, Etc., to Be Used.—In beginning foreign trade, provisions should be made for a mailing list. This can be most easily kept on cards, and for general purposes two sets of such cards will answer. First, the names of prospects, which are obtained, from time to time, through various sources. This should be known as the unverified list, for as business goes on it will be found that many such names are only sources of expense. The other file should be known as the verified list, and in this division are placed the names of firms of whose existence, desirability, and responsibility there is no doubt. Such names are those of actual buyers, concerns who write for catalogs and are found desirable dealers, houses visited by salesmen or whose names are supplied by general and local agents, banks, or other approved and reliable sources of information. It will be found highly desirable to keep the two groups separate. As the cost of obtaining names varies from a few cents to thirty or forty dollars each, the need of care is more evident.

The Character of Cards to Be Used.—It is impracticable to suggest a particular form of card, as this will vary with the business. Generally speaking, room should be left for entering the pur-

chases from year to year and other data which will prove of value to the sales department. Another form of report which it is highly desirable to use in connection with the mailing list is that which is supplied by the traveling salesman after visiting dealers. Such reports are filed according to towns, articles, or names of dealers, as may best meet the requirements of the particular business. By binding these in loose-leaf holders they will be found of great value for quick consultation, follow-up work, and conferences with salesmen. Such forms may also be used in connection with local or general agents.

The Importance of Properly Filing Letters.—In most business houses the importance of properly filing letters has long been understood. This is of even greater importance in doing business with Latin America, because of the strangeness of the names and the greater possibility of error. The proper filing of correspondence with Latin American merchants is of such value and the advantages of quick reference are so great, that it should be intrusted to a person of more than ordinary intelligence, who may be held to strict accountability. Where a Spanish stenographer is employed, the filing of letters should invariably be intrusted to him.

Some Specific Examples of Proper Filing.—For the purpose of simplifying the matter of filing, the following specific examples are given in order that this may be more readily understood. These examples will take the place of an extended article which would be more difficult of comprehension.

SPANISH FORM	ENGLISH EQUIVA- LENT	HOW TO FILE
Sr. Juan Fernandez	Mr. John Fernandez	Under Fernandez
Sra. Juan Fernandez	Mrs. John Fernandez	“ “
Srta. Dolores Fernandez	Miss Dolores Fernandez	“ “
Sres. Juan Fernandez y Cia.	Messrs. John Fernandez & Co.	“ “
Sres. Fernandez Her- manos	Messrs. F. Bros.	“ “

SPANISH FORM	ENGLISH EQUIVA- LENT	HOW TO FILE	
Sres. Juan Fernandez é Hijos	Messrs. J. F. & Sons	Under Fernandez	
Sres. Sucrs. de Juan Fernandez	Successors of John Fernandez	"	"
Sres. Sobrinos de Juan Fernandez	Nephews of J. F.	"	"
Sra. Viuda de Juan Fernandez é Hijos	Mrs. Widow of J. F. & Sons	"	"
Fernandez y Gonzalez	F. and Gonzalez	"	"
Fernandez y Gonzalez S. en C.	F. and Gonzalez Limited	"	"
Fernandez y Gonzalez S. A.	F. & G. Joint Stock Co.	"	"
Sr. Juan Fernandez y Obregon	Mr. John Fernandez- Obregon	"	"
Sres. Fernandez y Obregon	Messrs. Fernandez and Obregon	"	"
La Compañia Sud Americana de Va- pores	The South American Steamship Co.	"	Sud
La Compañia Manu- facturera de Zapatos de Habana	The Havana Shoe Mfg. Co.	"	Manufacturera
El Ferrocarril Central	The Central Rail- road	"	Central
La Perla del Oriente	The Pearl of the Orient	"	Perla

Abbreviations Used in Spanish.—In the following table there are listed some of the principal Spanish prefixes, suffixes, and words used in correspondence, together with their abbreviations:

SPANISH	ABBREVIATION OF	ENGLISH EQUIVA- LENT
Sr.	Señor	Mr.
Sres.	Señores	Messrs.
Sra.	Señora	Mrs.
Srta.	Señorita	Miss
La	Article (feminine)	The
El	Article (masculine)	The
y (Used in certain cases for euphony)	Conjunction	And
é	Conjunction	And
Cia.	Compañía	Company
Hno.	Hermano	Brother
Hnos.	Hermanos	Brothers
Hnas.	Hermanas	Sisters
Hijo		Son
Hijos		Sons
Sobrino		Nephew
Sobrinos		Nephews
Sucrs.	Sucesores	Successors
Vda.	Viuda	Widow
S. en C.	Sociedad en Coman- dita	Limited Partnership
S. A.	Sociedad Anonima	Joint Stock Co.
S. S. S.	Su Seguro Servidor	Your loyal servant
Su afmo. atto. S. S.	Su afectismo atento seguro servidor	Your affectionate at- tentive loyal serv- ant
Q. B. S. M.	Que besan su mano	Who kiss your hand

The Portuguese words and abbreviations are very similar to the above.

Prefixes.—Extreme care must be taken that the correct prefix is used. If the Latin American firm composed of Garcia y Alvarez (Smith and Jones) is addressed “Sr. Garcia y Alvarez,” it reflects greatly on the intelligence of the American exporter. In many Latin American countries the use of the mother’s name in addition to the surname is very common. For that reason, it is essential to distinguish between such combinations as Sr. Juan Fernandez y Obregon, which corresponds to Mr. Juan Fernandez-Obregon (Obregon being the mother’s name, or that of another relative), and Sres. Fernandez y Obregon, which means Messrs. Fernandez and Obregon. Indexing in such cases must be done under the

first name. The prefix *Sucrs.* is occasionally met with, its meaning being "Successors of," and is adopted by firms who wish to capitalize the standing and good will of their predecessors. In filing, letters should be placed under the name of the firm, as, *Sucrs. de Alvarez Hnos.* should be filed under *Alvarez*. Another prefix, *Vda.*, or widow, is often noted. Such letters should not be filed under the word "widow," but under the name of the deceased husband; thus *Dolores, Viuda de Sanchez*, should be indexed under *Sanchez*.

Articles.—The use of the article in Spanish is very common. The word *compañía*, which corresponds to "company," must always be preceded by the feminine *La*. Thus the South American S. S. Co. becomes *La Compañía Sud Americana de Vapores*; also *La Perla del Oriente*, the Pearl of the Orient, a store name. Indexing must never be done under the prefix, but under the name of the qualifying adjective, as *Sud* in the first instance and *Perla* in the second. The masculine *El* also has its place; thus the Central Railroad Co. becomes *El Ferrocarril Central*.

Conjunctions.—The conjunction occurs very often in firm names and should be properly used. Generally it is the letter *y* (and), but sometimes for the sake of euphony the letter *é* is employed. Letters must never be filed or indexed under the conjunction.

Suffixes.—In correspondence with Latin America suffixes are frequently used. Sometimes the abbreviation *Sucrs.* appears after rather than before the firm name. The letters *S. A.*, meaning *Sociedad Anonima*, are very common, being a form of business articles corresponding in a measure to a corporation or joint stock company. The letters *S. en C.* are for *Sociedad en Comandita*, which, broadly translated, means "Limited Partnership." When such partnerships are found in Latin America it is often the custom to include an individual whose interest is a limited one and when the articles are filed before the proper authorities the amount of his liability is registered. The liability of the silent partner is thus limited to the amount of the sum legally registered, no matter what may be his private fortune. This is a very common practice in Latin America. When letters are indexed suffixes must be disregarded.

Addressing.—In addressing letters the necessity for the singular or plural is indicated by the general firm name.

Salutation.—This varies in form but in general a cordial one is preferable. “Dear sir” or “Gentlemen” are often followed by “Friends” (*Amigos*): thus, *Muy Sres. mios y amigos*, or *Muy estimados Sres. y amigos*, Esteemed Sirs and friends. The Latin American is by temperament very appreciative and no danger is incurred by cordiality.

The Close.—Although greater brevity now marks the correspondence of the larger business institutions than formerly, it will be found that the majority of business men in Latin America look with favor upon a florid close. The custom of closing letters with the curt “Yours respectfully” has not been widely adopted and it is by far the safer plan to end more cordially. Characteristic closes of this character are: “Please accept the sincere assurances of our very highest regard and if we can serve you in any way do not hesitate to command us.” “We beg to convey to you assurances of our high appreciation and to place ourselves unconditionally at your orders.” In place of the usual “Yours truly” there are used the letters *S. S. S.* or *Su afmos. atto. S. S.* or *Su afmos. amigos y attos. S. S.* These phrases are translated in the vocabulary and are sometimes followed by the letters *Q. B. S. M.*, “Who kiss your hand,” although the latter form is not now so common. While a happy medium may be reached, it is safer to err on the side of cordiality than abruptness. A study of Latin American business correspondence will not only be found highly valuable from a practical standpoint, but of intense interest as well.

Miscellaneous Information.—In order to determine the time required for letters to reach the principal Latin American countries, a table on page 526 of the Appendix will be found useful. On page 524 there will be found the details of the money order fees to countries, the countries in which they are payable, the use of reply coupons, and the countries in which they may be used. A list of aids to correspondents will be found on page 466.

CHAPTER X

HANDLING OF ORDERS. PACKING AND MARKING. MARINE INSURANCE

HANDLING OF ORDERS

Introduction.—In the past much negligence and willful substitution have marked the filling of Latin American orders. Many American manufacturers have proceeded on the assumption that anything was good enough for the importers of the southern republics, whereas in reality they are often even more critical than the merchants at home. This is naturally due to the fact that shipments from abroad incur heavy outlays for freight and duty which materially increase costs.

All orders from Latin American countries should be filled with the utmost care and this is especially true of first orders; even though small, they often lead to important business. Furthermore, the methods of the manufacturer and his real attitude toward export business will be measured by the manner in which first orders are executed. For this reason, also, shipments should be made promptly. In the event that items are not in stock and a delay is inevitable, the dealers should be notified immediately; there is no possibility of building a business in Latin America if orders are held without notification of the importer. Substitutions should never be made without the sanction of the purchaser, as the latter resents any changes made without his permission and serious difficulties often arise because manufacturers do not observe this simple rule.

The Effect of Carelessness.—Carelessness in important details, such as the omission of weights, particularly of packing material, is also productive of difficulties. Importers frequently complain that the material used for packing weighs more than the amount specified in the consular invoice, and misunderstandings with customs officials naturally arise. The sending of merchandise

which is different from that ordered is likewise the direct cause of loss of customers. As an instance of this nature may be cited the experience of a South American firm which ordered six automobiles of a certain grade, for which it had contracted with the understanding that they were to be 25 horsepower each. The American manufacturer, instead of writing that the exact machine specified was not on hand, shipped six machines of 30 horsepower each, and billed them at the increased price. As the transaction in question was a contract between the importer and his government, the former suffered loss and naturally will be careful to avoid further transactions with the same manufacturer.

The Importance of Packing.—There is no element in connection with the development of Latin American business that has been the subject of more caustic comment than that of the packing employed by American manufacturers. American Consuls, travelers in Latin America, and merchants themselves for many years have complained bitterly regarding the carelessness and the apparent unwillingness of American manufacturers to observe specific instructions and recommendations in this particular. The great superiority of European over American packing has frequently been quoted. However, a distinct improvement has occurred during the last few years, and it is apparent that American manufacturers are now giving this subject far more consideration and study than was formerly the case.

Directions Should Be Followed.—The business man who studies conditions in Latin America realizes why such particular instructions accompany the orders and knows that they would not be given without good cause. If the manufacturer is told to supply certain weights, such as gross, tare, and net in kilos, he should do so; if unwilling to give this information, he should make no attempt to do business in Latin America. If instructed to limit the size or weights of his packages, he should likewise comply or make no shipment. Such factors as tariffs, and landing and transportation facilities influence the giving of these directions, and a failure to observe them is unpardonable. A careful study of the basic conditions will make even the most obtuse or indifferent packer or shipping clerk in an inland city understand the difference between domestic and foreign conditions.

PACKING AND MARKING

Factors Affecting Packing.—As a key to the study of the packing problem the following sketch of the factors involved will prove helpful:

1. *Means of transportation.*

- (a) Rail and water, necessitating extra handling.
- (b) Transshipment.
- (c) Animal transport, cart, mule, llama, burro, oxen, with need of loading and unloading for rests and feeding of animals. Native man carrier on foot or in canoes for rivers, lakes, and lagoons.

2. *At destination.* Rainy season, constant dampness because of tropical conditions, heavy mountain dews, etc.

3. *Passage of shipment through tropical climate en route to destination.*

4. *The conditions in ports.*

- (a) Lightering.
- (b) Unloading from ship to wharf.

5. *Physical characteristics of the country.*

- (a) Transportation on rivers.
- (b) Over narrow mountain trails.
- (c) Through streams which must be forded.
- (d) Possible necessity for leaving in warehouse in tropical climate.
- (e) Protection against pilferage.

6. *Effect of customs duties.*

The farsighted business man who is desirous of establishing his export business on a permanent basis will insist that the employee in charge of his foreign trade shall personally superintend the packing and shipping of his products. By thus definitely placing the responsibility he may be assured that before shipments leave they have been carefully inspected to guarantee their proper arrival at destination. By this means he also insures the giving of proper instructions for each individual shipment after a study of the conditions relating to cost have been considered.

How to Determine the Packing.—The questions which a merchant must answer when preparing to make a shipment are these:

1. Whether the ultimate destination is a seaport, or is the shipment to be carried into the interior?
2. Whether customs examinations and clearance are made at port or at an inland city?
3. To what climatic conditions will shipment be exposed at every stage of transit?
4. What facilities exist for transferring of shipment from steamer to shore?
5. What methods of transportation will be used to carry shipments to ultimate destination, i.e., railroad, steamship, muleback, ox cart. etc.; and to what exposure will shipment be subject until final delivery?
6. How will tariff affect the packing requirements?

Some Conditions Affecting Packing.—For the purpose of determining the necessities the best atlas, shipping guide, and other sources of information should be constantly at hand. Shipments to most Latin American republics must be unloaded from the railroad car to the ship, and upon arrival at port they must be unloaded and placed on the wharf. Not infrequently they are subject to transshipment, i.e., passed through several ports requiring a number of unloadings and reloadings. As this work is usually done carelessly, a shipment is liable to serious damage unless properly packed.

Proper Handling on Shipboard.—Besides packing carefully in order to withstand the handling to which shipments are subjected during the processes of loading and primitive methods of transportation, the possibility of damage while in the hold of a ship should also be considered. Very often stormy weather so affects the cases that they are shifted about and may be seriously injured by the miscellaneous cargo of boxes and barrels which are loaded into the compartments of ships.

Possibility of Damage in Unloading.—The conditions at the port of entry must always be reckoned with. In many places, particularly on the west coast, wharfs are entirely lacking and ships are unloaded in the open roadsteads. Merchandise is discharged into lighters or barges and not only may damage ensue from the impact with which freight is swung into the lighter, but also from heavy rains that may be falling during the process of unloading. Not infrequently packages inadvertently roll into the

sea and may be greatly injured unless so packed that they are impervious to moisture.

The Lighter, and How Freight Is Handled Therein.—Lighters are large flat-bottomed barges with adjustable covers to be used in rainy weather, and shipments to be carried to shore are lowered to them by steamer cranes, usually very carelessly. This is the acid test of packing, for all shapes, sizes, and weights of packages, bales, and barrels are removed from the hold of the boat and put into the barge. A crane is used in connection with a sling, the latter usually being made of rope. This sling is filled to the utmost and often barrels of cement, coils of barbed wire, etc., are let down on a lot of miscellaneous merchandise. The moment the ropes of the sling loosen, the contents roll and tumble down for fifteen or twenty feet into the corners of the barge, hitting all manner of cases already in place. At the custom house there is a second handling of almost the same character. In most ports, particularly in smaller ones, hand cranes are used and very carelessly operated. The raising and lowering being badly done, heavy packages, particularly, are severely knocked and jarred. If perchance they light upon some piece of iron or stone which happens to be lying about the landing, the sides of the cases are often smashed.

The Effect of High Temperature and Moisture.—The climate of the country to which shipments are made and the routes along which freight is transported frequently are lost sight of. Even though a shipment may be consigned to a mountain city, it may pass through the equatorial regions en route, and, unless care is taken, the contents may be seriously damaged by the heat.

For instance, shipments consigned to the interior of Colombia have a long river transport from Barranquilla toward the upper regions of the River Magdalena. Naturally, being so near the equator, the temperature is frequently in excess of 100 degrees Fahrenheit, and there is so much moisture in the atmosphere that it penetrates cases and causes mold unless the greatest care is taken. This is often overlooked by inexperienced shippers who use nails in fastening tarpaulins or burlap covers over boxes in order to give them strength. Because of the hot moist conditions the nails are quickly rusted, the tarpaulin rots and falls away. All coverings of this sort should be sewed.

Another example is the case of a certain shipment of lard in tins from an interior point in Mexico. Because of a mistake of forwarding it was delayed several weeks in Vera Cruz. The extreme heat forced open the tins by expansion and caused a loss by decomposition and overflow.

Conditions of Animal Transportation.—In many places the methods of carrying the freight are extremely primitive and differ according to the section. As the size of the load of the different animals varies, this is a serious problem. Thus, a llama (frequently used in Peru and Bolivia) carries about 100 pounds, while the burro transports from 150 to 200 pounds (preferably 150 to 160 pounds), and the mule is capable of carrying from 200 to 250 pounds.

The average load for a pack mule where the trails are poor is approximately 200 pounds. Where the trails are better, it is 250 pounds. (The ropes with which packages are fastened to the mule's back are drawn very tightly and unless the packages are strong they may be damaged by the process.) Such lots, however, must be in units and exactly halved, so that they may be equally divided across the mule's back. The extreme length of the package must not be over three feet and the other dimensions should not go over fourteen inches in any direction. Packages which have no square edge, like bales of cloth, are easier to handle. The matter of dimension is important because of the narrow mountain trails.

In the interior, where resort must be had to rivers and lagoons, native boatmen are employed; the craft generally used is a narrow dugout with only a limited carrying capacity.

Dangers of Primitive Transportation.—Many shipments to Latin America are ultimately designed for interior points which can be reached only by narrow mountain trails. These are often traversed only by burro or native freight carriers who must bear the burdens on the back. The constant loading and unloading is a severe strain on packages. Naturally they are subject to damage by scraping the abutting rocks, trees, etc.; also from falls and the general rough handling which such methods of transportation entail.

The temptation to enter cases is strong, particularly as they frequently lie exposed to the depredation of thieves who are

very skillful. Strength and perfect protection against robbery must be carefully sought.

Protection against Damage on Carts.—When freight is transported on carts drawn by oxen over very bad roads, the constant jolting, often for seven to fourteen days, may work great damage. Such carts are for the most part uncovered and heavy rains may cause serious loss. Frequently small streams or rivers have to be forded and the possibility of injury by water is a constant danger.

Necessity for Protection against Water.—The most serious problem in shipping is moisture, which may affect shipments in a variety of ways. Not only rain but salt water resulting from spray or leakage in the damp holds of ships may be responsible for damage. A waterproof lining or wrapping before the case is sealed will afford the necessary protection and will also prevent damage if the package is immersed in the sea as the result of tackle slipping while the shipment is being unloaded. It is for this reason that oilpaper should be freely used, and many manufacturers have found it advisable to use even oilcloth. The latter is preferred by some importers inasmuch as it has a definite value, since it can be sold even if at a reduction. The best protection against dampness or moisture is the zinc lining in a packing case, although linings are sometimes made of tin. When such linings are hermetically sealed, the contents are absolutely impervious to moisture. Though it is possible to obtain insurance against water damage, it is better to make packages moisture proof, as is generally done with European shipments. By so doing the consignee is spared the annoyance and trouble incident to making a claim.

How to Avoid Damage from Rust.—One of the commonest causes of damage to shipments is rust. Not alone is a shipment three to six weeks en route inadequately protected from rain and always subject to damage, but also it may remain for a long time in a warehouse in the original cases, and it can be easily understood what will be its condition unless it has been protected against rust in a thoroughly efficient manner. The methods of protecting it are those outlined.

How to Obtain Information Regarding Packing.—The manufacturer who is desirous of obtaining all possible information

regarding packing, and wishes to comply with requirements, has abundant means of ascertaining what he needs to know, for he may secure this information as follows:

1. By addressing the Bureau of Foreign and Domestic Commerce at Washington or its branch offices; if information is not on hand, it will be obtained from the Consul or commercial agents.

2. Letters to the principal importers of the articles in the various cities and countries. Such names may be obtained as indicated in Chapter XVI.

3. The information may be gained from customers and general or local agents to whom the sale of the product has been given; also from commercial organizations, export journals, etc.

The Influence of Tariff.—It is not only because of the difficulties of transportation and the possible effect of rough handling to which packages are subject that the question of proper packing must be considered. In many of the Latin American countries the tariff plays an important part, and for this reason the manufacturer should carefully consider it. In order that this may be more easily understood, a specific example is given. In the republic of Venezuela manufactures pay a particular rate of duty. This duty is calculated on gross weight. By the latter is meant the exact weight not only of the article itself but of the package. Thus, the importer has to pay duty not alone on the product he imports but on the paper with which it is wrapped, the string with which this paper is tied, the pasteboard box surrounding it, and finally the wooden case itself. Where the rate of duty is high (as it usually is when it is specific), the possibilities for the sale of a given article would be adversely affected. Where the weight of a package is so important, the manufacturer may frequently gain considerable advantage by devising a means of insuring the delivery of his product at an absolute minimum of expense, not alone of freight but of duty as well. The difference in duty which results from a more economical packing frequently enables him to command a large trade.

Avoiding Trash in Packing.—It is for the foregoing reasons also that the use of excelsior, old paper, cardboard boxes, etc., should be avoided. The case should be shaped to conform as closely as possible to its contents and thereby assure a saving not alone in

the weight and the packing but likewise in freight, which on steamship lines is invariably calculated on the basis of cubic contents.

It is very important, in order to save excessive freight charges, to pack goods in the smallest possible bulk. Loose packing, particularly of dry goods, etc., adds much to the costs. When the shipments are made in tin containers, such as salmon, etc., they should be surrounded by sawdust or other packing. If this is not done, the rough handling to which cases are subjected results in damage to contents of the tins.

The Importance of Separation in Packing.—In practically all the Latin American countries the tariff laws provide for duties based on different classifications. Frequently the orders from general merchants will include items which appear in almost all of the classifications and on which the duty would vary from 10 cents per kilogram to \$2.00 per kilogram. In the event that it seemed desirable, for the sake of economy, to place a small package in the same case with the other merchandise, the presence of the small article would make necessary the assessment of the duty on all the items in the case on the basis of the small article, even though the latter took the highest classification.

As a concrete example may be cited the following: if a small box of jewelry were placed in a large case of miscellaneous merchandise consigned to Venezuela, the duty would be charged on the basis of the jewelry.

It will frequently be found highly advantageous to pack and ship separately articles composed of different materials. Where the trimmings of an article are of a different material from the article itself, it is often best to make two different packages and ship them separately because of lower duty.

Differentiating Between Goods.—When various classes of merchandise are packed in the same case, extreme care must be taken to list them in the invoice under the proper classification. There should be obtained the weights not only of the goods, but also of the cartons or paper surrounding them.

Confining Packing to One Class of Goods.—As the tariff in certain countries makes impossible the importation of different kinds of products in the same case, the manufacturer should carefully observe shipping directions to this effect. When instructed to pack only one kind of goods in a case, he should do so, else a heavy

fine is likely to result. If shipping directions are correctly followed and complications ensue, the manufacturer cannot then be held responsible.

The Importance of Weights.—The importance of obtaining and specifying the correct weight cannot be exaggerated, inasmuch as the duty in many countries, and on a multitude of articles, is based on weight. In order that there may be no misunderstanding on this point, it is important that packing and shipping clerks be thoroughly instructed as to the exact meaning of these terms, and that the weights be placed on invoices, packing lists, manifests, and other papers, where called for.

Gross Weight.—This means the weight of the goods with all their outside and inside coverings, without deducting the materials used for packing such as cardboard, paper, excelsior, netting, straw, shavings, hoops, etc.

Net Weight.—Net weight means the actual weight of the goods without any exterior or interior packing.

Legal Weight.—This means the weight of the goods together with that of their interior packing, such as cardboard and wooden boxes, wrappers of paper or other material, receptacles, etc., inclosed in the outer packing case in which goods are shipped. In many countries, in calculating the legal weight, no account whatever is taken of the straw, excelsior, strings, etc., in which the exterior packages are placed, or of the weight of the outside packing case.

Different Interpretations of Weights.—The general interpretation of net, gross, and legal weights is the one given in the preceding paragraph. However, it happens that the laws in certain of the countries determine the exact manner in which these weights are to be calculated and the manufacturer should consult this table in order to protect his interests.

The Mexican definition of net weight is as follows: "The weight of the article itself without any covering whatever." The definition of legal weight is: "The weight of the article plus the paper box, flask, bottle, etc., in which the articles are usually kept in stock."

The tariff law of Nicaragua defines the net weight as follows: "The actual weight of the goods, free from all packing receptacles or wrappers."

Different Methods of Applying the Duty.—When duty is collected on legal weight and goods are not inclosed in interior packages but in one outside inclosure, only the intrinsic weight of such goods is considered as legal weight. It should be borne in mind when packing goods of different classes in the same case that the customs on goods dutiable on gross weight will be calculated in proportion to the legal weight of each kind of goods. Duty is collected on the total weight of goods which are dutiable, on gross weight when they are imported with any kind of packing, and the duty will also be collected on the total weight when packed in a material which is likewise dutiable. When goods which pay a duty on net weight are imported in ordinary packages, duty will not be collected on such packages. When duty is collected on goods according to legal or gross weights, it is collected on the packages in which they are imported, just as on the goods. In practically all the Latin American republics, when industrial machinery or apparatus is imported accompanied by accessories or parts exceeding in quantity the actual requirements, and such accessories are classed in the tariffs of the countries, a duty is collected on the surplus according to the classifications of the tariff.

The Size of Packing Cases.—Because of the conditions attending the loading and unloading of shipments in Latin American countries, the use of medium-sized cases is strongly advised. The favorable dimensions are three by two feet, particularly where the contents are not too heavy. When goods are packed in smaller boxes, as is the case with starch, catsup, malted milk, etc., they should be strongly crated and packages made of the size mentioned. This is desirable because small cases are placed in a sling or net when unloaded, and are likely to be crushed if a heavier case is allowed to fall upon them.

The Importance of the Shape of Cases.—This is another factor of great importance, particularly where the ultimate destination is the interior, and where transportation on muleback is inevitable. Not alone because of the fact that the mules are small are long packages found unwieldy, but likewise, as the roads frequently lie through narrow trails in the mountains, the danger of packages scraping mountain sides on the trails is far greater. The size and shape of the packages must invariably be determined by the handling they are to receive.

Maximum Sizes and Weights.—In packing cases which must be transported on muleback it is indispensable to consider both weight and size. The maximum load that a mule can carry is 125 kilos or about 250 pounds. Not only should the weight be considered, but the best size so that the cases may be properly strapped on the mule's back. Common sense indicates that the cases should be oblong and 3 by 2 by 2 feet—preferably smaller. When only one package is placed on the back of a mule, the maximum weight that can be carried is 150 pounds.

How the Sealing Is Done.—The use of sealed cases will be found very helpful in preventing pilfering. When a shipment is sealed it can be done with a wire which is placed around the center of the case. This wire is quite thin; it is fastened around the case with brads, and both ends are placed in lead; it is then pressed by special instruments made for this purpose; it is thus impossible to open the case unless the seal is broken.

The Necessity for Compactness.—Freight charges collected by steamship companies are based on cubic measurements or displacement except in those cases where the freight would be greater if calculated on a weight basis. Because of this fact the importer is naturally anxious that the goods shall be packed in as small a bulk as possible. Packing cases should be fitted as nearly as possible to the actual contents in order that there may be no waste space which must be filled by excelsior, shavings, or other packing material productive only of expense. When it is practical to pack shipments "knock down" without sacrificing any possible selling advantage of the article thus shipped, it is advisable to do so.

Advantage in the Use of Screws.—Where shipments are destined to interior points and it is important that contents of a case shall be not damaged, the use of screws is advocated.

The Use of Lightweight Crates and Boxes.—Where duties are based on the gross weight of goods, and the lightest packing is desirable, a careful study should be made, not only how to obtain this lightness of weight but also the maximum strength. It would avail but little to effect a saving in weight and have the merchandise arrive at destination in an unsalable condition.

Lightweight Packing Desirable.—American manufacturers who

can supply packing that is both strong and extremely light will find the customer not only willing to pay for any difference over regular charges but inclined to favor them because of the advantages of importing in packages which make the duty less. Such packing is used to good advantage by German and Italian concerns, being made of papier mâché or fiber board, pressed until it is almost as hard as sheet iron but extremely light, strong, and damp proof.

When duty is charged according to weight, and the tariff applies to the container as well as the goods, the manufacturer should endeavor to give the wrapper, container, and outside packing a salable value to help cover the expense. A concrete example of this method is that of European exporters of chinaware who use wicker baskets and whose wrappings consist of oilcloth, both of which can be sold.

Another instance is that of German exporters who pack several crates in lightweight cases. These crates consist of two light strips of wood, three-eighths inch in thickness, two inches wide all around, and then one covering of light burlap inside that. A dozen such small crates are packed in one large case and placed aboard ship. The manifest covering them calls for twelve packages; upon arrival at the pier the stevedores tear up the big case and the Latin American customer, who has to pay a specific duty on his wares, finds a great saving has been effected.

An English Packing Case.—An example of a model case used by English exporters is the following: It is made of boards which are 1 inch thick for the sides and $1\frac{1}{4}$ inches thick on the ends. The length is three feet four inches by two feet four inches for the height and width. It bears several battens, especially on the sides, as a reinforcement. Over the battens are iron hoops, thoroughly nailed. The battens are $3\frac{1}{4}$ by $3\frac{1}{2}$ inches in width and breadth. The cost of this case is from \$6 to \$7.50 and, of course, a charge is made for it by the shipper.

The Use of Packages Which Can Be Sold.—Many other ingenious methods have been devised for the purpose of reducing the cost of duty. Not infrequently the packages have a commercial value, such as trunks, baskets, etc. Naturally these are also placed in very strong crates in order that the shipment may reach destination in perfect condition.

Cases Must Be Carefully Made.—The wood used in making packing cases for export should be tough and at least one inch in thickness. Cheap pine wood should never be used. The contents of a case should be securely fastened so that they cannot move about in the case or rub or knock together.

By inserting screws instead of nails the inspection of the shipment is facilitated, inasmuch as the necessary number of boards may be removed without damage for the purpose of inspecting the contents; the boards are then refastened in the same manner.

Avoiding Secondhand Cases.—Secondhand packing boxes should never be used because of their weakness. It is unreasonable to expect a shipment whose destination is one thousand miles distant to arrive in good order if packed in poor containers. Old cases on which various marks appear should under no circumstance be used. It not only causes confusion in transit, but at the point of destination there is likely to be trouble for the customs officials in reading the marks.

The Use of Pulp Packages.—Within recent years the use of pulp containers, that is, cases made of pulp, has become very common. These should not be employed in shipping goods to Latin American countries. In the first place, the extremely rough handling to which cases are subjected makes it impracticable, and in the second, the danger of damage by water and moisture is far too great.

Avoiding Many Small Packages.—It is highly important to make the packages as large as possible, consistent with the needs of transportation, in order to minimize the charges for handling. This reduces not only the drayage expense in this country, but the numerous charges which arise in connection with the handling of shipments at destination. In Latin America it is the custom to assess the charges per case, and the greater the number of cases, the more expensive will be their handling.

Numbering All Cases.—In preparing a shipment for export to Latin America it is important that every package or case be given a number, and that this number be placed on the packing list and invoice. This is of great aid in determining what part of a shipment has been lost, in case it is reported missing, and will thus aid in its quick replacement. It occasionally happens that mules

or llamas engaged in transporting packages in South America roll over the precipices, and where the loads contain cargoes of machinery the system of numbering the packages will be found very useful.

English Words Should Be Avoided.—The use of English words such as "Care," "This side up," etc., should be avoided, being of no practical value. It will be readily seen that no attention whatever is paid thereto, inasmuch as the stevedores and freight handlers have no knowledge of their meaning. If it seems desirable to use words of this character, they should be in Spanish, carefully stenciled, and perfectly legible, as *Con Cuidado*.

The Importance of Proper Marking.—The marking of shipments to Latin America is of equal importance with packing, as delays and nondelivery of many shipments may be attributed to a failure in marking. It is essential that the mark be absolutely plain and legible. The packages should be marked with stencil and with an ink which will not wear off or become blurred or illegible when wet. The affixing of tags and other means of identification which are likely to be torn off or lost in handling should also be avoided. Where a tag is affixed, it should be of the toughest, strongest material, fastened securely by wire.

What the Mark Is.—The mark usually consists merely of one or more initials used either alone or in connection with such symbols as squares, circles, diamonds, or triangles: this is used in addition to the name of destination. The purpose of this abbreviation is easily understood. The name of the consignee is thus hidden from the shipper's competitors, and from others who may be interested. It also reduces a great amount of labor which would otherwise be required to enter the marks on the bills of lading, the certificates of clearance, packing lists, ship's manifests, etc. Experience has taught the desirability of using the fewest number of marks. It is, of course, necessary to give a number to every case, and these should correspond exactly with every detail of invoices, bills of lading, etc.

Plain Marking Essential.—Many shippers use for export the same cases that are employed for domestic trade. Such cases bear their name, street address, city, and advertisements. When these cases are used for export, the name of the consignee or his mark and destination are written in the same size of lettering. This

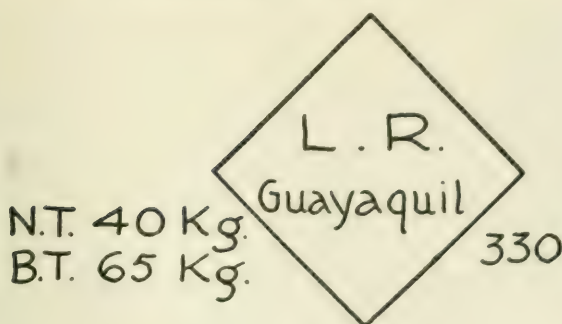
is a serious mistake and one that should be avoided. In the dark holds of steamships, it is very difficult to distinguish such markings, and as a result the shipments are frequently carried beyond their destination. For his own advantage, the American shipper should use packages that are free of other words, in order that they may reach his customers promptly. The best plan is to print on the cases the name or marks and destination in large letters, likewise the net and gross weights in kilos. The stencil characters should be at least two and one-half inches in height.

Government Exactions Regarding Marks.—Because of many unfortunate experiences, a number of South American republics require that the marks on packages, cases, barrels, etc., be stenciled. Such republics prohibit the importation of goods on which there is brush marking. This is an excellent precaution which should be adopted by every shipper to Latin America, as it avoids confusion and insures the proper delivery of the shipment. In a number of countries, cases must be marked not only on one side but on two or even three sides of a package. The net and gross weights are also exacted and must be stenciled in the same manner as the address. Care should be taken that these weights agree exactly with all shipping documents, as the most insignificant variation entails trouble and difficulties.

An Example of Proper Marking.—An example of the proper marking to be used, particularly in certain countries where this is a matter of great importance, is the following:



Another example that may be quoted is as follows:



In the second instance the weights given are net and gross, Nt. meaning net, Bt. meaning Bruto, gross. The "Kg." is the abbreviation of kilogram. The reason for stating the weight on all freight is that it affords a quick index to those handling it, as to the sort of crane or block and tackle to use in loading and unloading.

Publications Relative to Packing and Marking.—A number of publications containing instructions for packing, shipping, marking, etc., have been published by the United States Government. They will be found listed on page 493 of the Appendix.

MARINE INSURANCE

Introduction.—The matter of insurance covering shipments to Latin America is one that requires the closest attention of every exporter. Shipments made to Latin American ports should be fully insured against the risk of loss, damage, and pilferage. Many shippers are not aware of the fact that the liability of a steamship company is practically negligible. Almost any loss that occurs is sustained by the shipper of the merchandise or the owner, and it is only rarely that the steamship company itself becomes liable for damage or loss from any cause whatever.

The Meaning of Marine Insurance.—Marine insurance covers the loss or damage to a shipment of merchandise during a voyage specified in the policy, from perils of the sea, the act of God, and any other causes that may be specified in the policy covering the shipment.

The Meaning of "General Average."—The laws relating to insurance greatly favor the steamship lines. Because of this, marine insurance is essential. When a steamship is sunk, burned, damaged in a storm, hurt in a collision, or is completely lost at sea, the owner of the vessel is not responsible to the shipper or consignee of the merchandise. The captain of a vessel is at times compelled to incur an unusual expense or to make a heavy sacrifice of a part of the cargo in order to preserve his ship and the remainder of the cargo therein. The expense of such a sacrifice, which includes the cost of the means taken to prevent a still heavier loss, is known as the "general average." The theory upon which the general average is based is that such a loss is sustained for the benefit of all, to meet which the actual loss is assessed against the owners of the cargo in direct ratio to the value of their shipments.

The fact that the shipper had an insurance policy issued for the shipment transfers this liability to the insurance company. A shipment, when not insured, may be legally held by the owner of the vessel and confiscated by him to protect any loss to the ship or cargo. This can only be avoided if the owner of the shipment, through his agent on the ground, can give a bond to guarantee the payment of the share of the loss assessed against the shipment. For this reason practically every shipment is insured, as the principle involved is that of protecting the best interests of all concerned.

The Liability of the Insurance Companies.—It is absolutely essential that the exporter examine closely all marine insurance policies. This is due to the fact that many losses for which claims will be made against the shipper are not covered in such policies. The ordinary policies do not take into account by the term "perils of the sea," damage from breakage of cases or packages, the chafing of shipments, pilferage, damage by water in the hold, etc.

The actual protection of a marine policy is usually against only extraordinary occurrences, including the loss by fire while on the vessel, damage to the shipment by sea water or moisture (as a result of collision or like catastrophe), damage to the shipment by moving of the cargo because of bad weather conditions, etc. The shipper should see to it that all kinds of losses are carefully specified in the policy.

Protecting Other Hazards.—As the usual policies do not cover many of the hazards to which a shipment is subjected before being placed aboard, it is essential that this should also be taken into consideration. A shipment may be damaged by fire, water, or moisture while it is on dock at the port of departure, just as it may be so injured before delivery to consignee after a safe ocean voyage. A shipment may also be pilfered before it is placed on the vessel, as it may likewise be robbed while on board and on the dock of the port of entry. Shipments may also be damaged by extremely rough handling. The rates will be quoted by the insurance brokers in proportion to the value and risk involved in these hazards.

Free of Particular Average under Five Per Cent.—This phrase means that unless the definite loss or damage to a shipment amounts to five per cent. or more of the sum for which the shipment was insured as specified in the policy, the insurance companies allow no claims for damage or partial loss.

Necessity for Insuring under Particular Average.—Applications for insurance subject to a particular average must particularly provide therefor in the applications for such insurance.

The Meaning of "Open Policy" Insurance.—Marine insurance companies furnish "open" policies under which shipments may be insured at rates applicable to the various Latin American republics. The method of using an open policy is as follows:

The insurance company supplies a book of blank certificates; whenever a shipment is made the importer fills in the certificate which contains the detail of the shipment, including the rate, number of cases, value, etc., together with the number of the policy. When shipments are made, applications are sent to the insurance company giving notice of the shipment, and for the premiums payments are made monthly.

The certificates are generally indorsed in blank and attached to the remainder of the papers and forwarded to the consignee, who presents them in the event of loss.

Precautions in Placing Marine Insurance.—Marine insurance is very flexible and the policies may be written to cover all hazards to which a shipment may be subjected from the moment it leaves the warehouse or factory of the exporter until it is within the possession of the consignee at its ultimate destination. Under such

a policy all the risks to which a shipment is ordinarily subjected are guarded against; therefore the shipper should have a clear understanding with reliable brokers in order that no misunderstanding may arise in the event of losses, complete or partial.

Lists of Insurance Brokers.—Although arrangements for marine insurance can be made through insurance agents in the interior, the largest and most experienced firms are naturally established in New York. A list of such brokers may be found in the Appendix. Freight forwarding agencies also provide insurance but must place it through brokers; hence when the business is of some volume it is preferable to deal direct with brokers.

The Cost of Marine Insurance.—Before buying a marine insurance policy the exporter should make every effort to obtain the lowest possible rates besides the most advantageous form of contract, since the policies vary materially and the rates are naturally in proportion to the character of the hazards covered. Generally speaking, the cost of marine insurance varies from one-quarter of one per cent. upward, but it is naturally higher if the policy includes risk of theft, leakage, breakage, damage while on dock, etc.

Provisions Made for Freight and Charges.—In making arrangements for marine insurance it is customary to add to the value of each individual shipment from 10 to 15 per cent. of its value. This is to protect the party insured against the loss of freight and handling charges which would have been incurred by the time the shipment reached its destination. When quotations are made F.O.B. and the amount of the duty is included, this should be authorized by the shipper, else payment may be refused by the importers.

Insurance for Pilferage.—One of the hazards in shipping goods which are easily carried away is that of pilferage. This covers consignments of many articles such as neckwear, fancy goods, shoes, hardware, tools, implements, etc. Although it is possible to obtain insurance against loss, it is absolutely necessary to pack the cases with the utmost security and seal them against entry. Insurance at a reasonable rate against thievery can be obtained, but if many claims are presented the rate is likely to be raised or the insurance entirely withdrawn. Even though claims are paid, the con-

signees in Latin America should be spared the trouble of making them.

How to Collect a Claim.—When a loss occurs, the holder of the certificate may file a claim for the value of the shipment including the expenses of freight forwarding, the insurance premium, and other charges. As the insurance certificate is one of the documents indispensable to financing shipments, it is either in the possession of the bank through whose hands the documents are handled, or in that of the consignee who has accepted the draft or paid it. The papers that are necessary in addition to the statement of loss are as follows:

1. The original and negotiable copies of bill of lading. These must be indorsed or made "to order" that they may be used by the underwriters.

2. The policy or certificate of insurance. This must likewise be indorsed if made "to order."

3. A document conveying the interest of the owner to the underwriter.

Claims should be presented through the agent of the insurance company in the port of entry or forwarded direct to the company.

4. A certificate of survey signed by a Lloyd's agent, one of whom is found in every port, will be of material assistance.

Books Relating to Marine Insurance.—A number of important works which deal very fully with marine insurance may be consulted by the student. These are listed on page 463 of the Appendix.

CHAPTER XI

INVOICES, CONSULAR INVOICES, SHIPPING DOCUMENTS,
FREIGHT FORWARDING, OCEAN FREIGHT RATES, INSUR-
ANCE, BANKING DOCUMENTS

INVOICES

The Importance of Invoices.—One of the means of satisfying Latin American buyers is the making of proper invoices. The greatest care should be given them as they are vital documents. Every effort should be made to supply all possible information to insure the proper clearance of merchandise through the custom house and the payment of the lowest rates of duty.

Essential Features of Latin American Invoices.—The American manufacturer should insist that invoices receive the personal attention of the employee charged with the care of export business. Invoices should be carefully checked and should be made as follows:

1. They should be written on a good quality of paper, preferably with a typewriter.
2. All invoices must bear the name of the shipper, the consignee, the destination, the number of cases, and, without fail, the exact shipping mark. Invoices should clearly designate whether the packages are crates, baskets, barrels, boxes, bales, casks, etc.
3. The gross, legal, and net weights should be stated. These should be expressed in kilograms (2.20 kilos equal 1 pound).
4. The dimensions of each package must be specified. These should also be calculated in the metric system.
5. Goods should be billed in the order they are packed; that is, Case 1, 2, 3, etc.
6. The dollar sign should precede each price extension and footing.
7. The words "Gold Dollar" should always be used. It should

be stated on the invoices whether the charges for collection of drafts are for the shipper or the consignee.

8. If prices are subject to a combination of discounts, they should be worked out for each item so that the net value may be shown. This is particularly necessary where an *ad valorem* duty is assessed.

9. The use of general designations should be avoided. A concrete example would be "hardware," when hammers or awls are shipped.

10. Wherever it is possible, and can definitely be determined, especially where orders bear these instructions, each item should state the classification of the tariff of the country to which the goods are consigned.

11. For each item should be specified the exact material used in making it, thus: hats of felt with ribbons of silk; sofas of birch with leather cushions, stuffed with moss; machinery of steel, with parts of brass. Every detail which can be furnished to aid the customs officials in classifying the article for assessment of duty will be found very valuable. All items packed in the shipment should be billed.

12. If cloth is exported, the exact material of which it is made must be specified. For example, silk, cotton piece goods, percale, voile, etc.

13. In exporting cotton goods or cloth, it is best to give the width, the total number of threads per six square millimeters, and the kilograms per 100 square meters. This should be determined exactly as variations may make an important difference in the duty. Much work and unnecessary handling at the custom house may thus be guarded against.

14. When quantities of booklets, circulars, or advertising novelties are included in a case, they should be listed, together with weight and description, and a certain value specified. This value should be placed on the bill and accompanied by a corresponding credit memorandum. The use of the words "no value" or "no charge" should be avoided. Failure to do this frequently involves the consignee in difficulties with the custom house, and may even result in the seizure of the goods.

15. When items such as prepaid freight, special cases, or cost of consular invoices are charged, special invoices should be ren-

dered. Such items should never be included in bills for the goods.

16. If machinery is shipped K.D. and divided among various cases, it should be so listed on the invoices, particularly where an ad valorem duty is assessed, else the cost to the consignee will be increased.

17. No abbreviations should be used.

How Many Invoices Must Be Made.—The exporter should be governed by conditions as to the number of invoices made. In many instances the Latin American importer insists upon copies for his own use and they should be willingly supplied. It is best to make for the use of the Latin American importer an original, duplicate, and triplicate. The original should be forwarded direct to the importer.

Correspondence Relating to a Shipment.—When a shipment is made against a draft, it is customary to issue the draft in duplicate. In such cases the duplicate invoice accompanies the one draft and the triplicate the other draft. For the purpose of obtaining a consular invoice, another set of invoices should be made, identical with the ones sent to the merchant, the original of which will be taken by the Consul of the Latin American country, together with as many copies as may be exacted by the laws of the country: in some cases three or four copies are needed.

The Numbering of Invoices.—Exporters to Latin America will find it desirable, not only for their own convenience but particularly as an aid to their clients, to number their invoices. This is particularly valuable where shipments are frequent, and will be found useful in obtaining duplicate orders.

How Foreign Invoices Differ.—American manufacturers who have successfully established a demand for their products in the Latin American republics have found invoices an excellent means of developing trade. Conditions in the Latin American republics are in many ways different from those in the United States, and in the matter of commercial documents particularly there is a noticeable variation. Latin Americans frequently are unable to understand the almost utter lack of details when they are themselves accustomed to furnish so many on invoices. As invoices are considered vital documents, every effort should be made to have them carry the information required for proper clearance of the merchandise. This is a prime essential because of the fact that

many customs officials are inclined to take advantage of the slightest discrepancies in descriptions, weights, and declarations, to assess fines, by which they are often individually benefited.

Invoices a Means to Business.—Accuracy and care in preparing invoices will result not alone in facilitating the clearance of a shipment but as a positive means of developing trade. The Latin American exporter prefers to do business with a concern that is careful, attentive to details, and watchful of his interests. If invoices are prepared with care and made easily understandable, with an accurate description of the goods in Spanish, it will be found that the time required is well spent and productive of definite results.

The Proper Description of Goods.—In developing business with Latin America, the manufacturer making his first shipment to a country should exercise unusual care in applying a proper description. When the invoice is sent the customer should be asked to say whether some other word than that used in the bill shall be written on future invoices as a means of expediting the clearance. In this manner the manufacturer, in the course of time, can accumulate a great deal of valuable information, and make more remote the possibility of his customer's being penalized or fined by the customs officials.

The Importance of Correct Papers.—Before a shipment to a foreign country is dispatched, the manufacturer should be certain that the invoices are correctly made according to the tariff schedule. If there is any doubt, application should be made to the Consul General of the republic, in New York, although it is best to ascertain from the customer the latter's desires and follow them to the letter.

Signatures on Invoices.—When exporting to some of the Latin American republics, it is necessary to make a declaration regarding the origin or manufacture of the goods. These regulations must be signed by an official of the exporting concern and, in the case of a partnership or unincorporated company, by a member thereof. It is desirable in every instance that an export invoice shall bear the signature of a firm member, as it serves to create confidence and raise the firm in the opinion of the Latin American importer. It is also a custom to write on export invoices the letters "E.&O.E.," meaning "Errors and omissions excepted."

The Use of a Packing List.—As is frequently the case in domestic trade, a separate packing list is found of great advantage, and the custom of supplying such a list in addition to the other documents covering a shipment for export to Latin America is often followed. This packing list should contain an absolutely accurate memorandum of the contents of every case, and should show, without possibility of any misunderstanding, the exact number of cases in a shipment, as well as the contents of each case. If there is any discrepancy in the packing list, the consular invoice, or the commercial invoice, delays are likely to occur at the port of entry in Latin America. In the packing list should also be specified the various kinds of articles that are packed together in one case, with the gross, legal, and net weight thereof.

Attention to Details Indispensable.—Lack of attention to instructions, or a superficial observance of them, leads to many misunderstandings. A concrete example of this is found in the case of the manufacturer who placed the packing list of a shipment in one of the cases instead of forwarding it with the shipping papers.

The Use of Code Words.—The use of code words in the description of articles will be found a material aid to foreign customers, as such words enable the client to duplicate easily by cable if the items are required quickly. When code words are used as applied to different articles, it will be found equally advantageous to supply words for quantities and other details to make reordering easier for the dealer. The need for this feature is readily apparent when the great volume of domestic business now done by telegraph is considered. The code words thus used are supplementary to the elaborate codes obtainable in book form.

Registration of Cable Address.—The manufacturer should choose a word which will serve as his code address and register it at the offices of the Western Union and Postal Telegraph companies. This should be done in the city where his factory is located and also in the cities where he has established export offices. The registration of a cable address costs nothing and the exporter should use the word on all his printed matter, particularly on invoices and letterheads. This precaution will enable his correspondent to cable in the most economical way.

The Use of Cable Codes.—In addition to specifying on his statement the cable address, it is also advisable to print the cable codes

that are used. Of these there are many, but those most frequently employed are the Western Union, the A.B.C., the A 1, the Samper, the Lieber, and the Veslot. These may be very easily obtained as indicated on page 466 of the Appendix.

The Use of Consular Invoices.—The consular invoice is one of the most important documents in the forwarding of shipments from the United States to the Latin American republics as it is required by almost all the southern countries. Consular invoices serve officially to determine the value of the merchandise imported into the republics. The document is virtually a copy of the commercial invoice, being an itemized memorandum of the products included in a shipment, their exact value, and such other details as the name of the steamer by which the goods are carried, the firm or individual to whom consigned, and often the number and clause of the tariff under which the products are to be imported. These documents are generally made upon forms obtained in the offices of the Consulates General of the various republics and a specific charge is made for them. Not infrequently the necessary blanks may be obtained from printers or stationers, and as a rule from three to six copies are required. On page 520 are given full details regarding consular invoices and their requirements.

The Details of Consular Invoices.—The importance of the consular invoice is so great that in the case of large export firms the invoices are prepared under the direction of one employee thoroughly acquainted with the conditions in the various countries, in order that every possibility of error may be avoided. The consular invoices, when prepared, are taken to the office of the Consul, together with the bill of lading covering the shipment, and in some instances a signed copy of the latter document must be left with that official. The conditions vary greatly with the different countries and a recognized shipping guide should be consulted in order that all possibility of error may be avoided. It is because of the importance of the preparation of such a document that the services of export agencies and forwarding agencies are found so desirable, particularly as consular invoices must be written in the language of the country to which the shipment is made.

Export Bills of Lading.—The railroad companies, as a general rule, do not issue export bills of lading. There are certain companies which operate from Gulf ports as well as by way of the

Atlantic Coast and are in a position to issue through bills of lading to all points in the West Indies, Central America, Panama, and, in some instances, to certain places on the northern coast of South America in the republics of Colombia and Venezuela. Although certain railroad companies issue export bills of lading at interior points for shipments to ports in South America, this is not the general custom, as almost invariably freight is dispatched by forwarding agents in New York City or other points through which it moves. When railroad companies forward the goods, they themselves must contract with steamship agents for the reservation, although it sometimes happens that the shipper, who has made his own contract with the steamship company, transfers his contract to the railroad company.

Chief Obstacles to Interior Bills of Lading.—Among the objections to bills of lading issued in the interior are the custom house requirements of the Latin American governments in the matter of documents. An indispensable detail is the name of the steamship line, the master of the steamer, the name of the vessel that carries the shipment, the date of sailing, etc. Most of the Latin American republics insist that at the time the consular invoices are issued, the bills of lading likewise be certified by the Consul or signed together with the ship's manifest before the steamer sails from port. Another requirement is the payment of a Consul's fee for each individual bill of lading. This is paid to the Consul in the port of sailing, together with a fee for certifying to the correctness of the invoice.

Documents of Forwarding Agents.—In handling the shipments of American manufacturers for export, the forwarding agents frequently issue private receipts in the shape of their own bills of lading to Latin American ports. As forwarding agents are not recognized common carriers, the bills of lading issued by them do not protect the ownership of the property nor carry the title, since the ocean bill of lading alone governs such ownership. As many of the forwarding agents, however, are concerns of the highest responsibility, such documents are accepted without question by banks, particularly those familiar with the details of foreign trade. It may be stated as a general fact that the ocean bill of lading is usually delivered by the forwarding agent to the bank.

FREIGHT FORWARDING

How Export Shipments Are Handled.—Shipments for export are of various kinds, but may be grouped as follows:

1. Those from manufacturers located in interior cities, who make shipments according to orders received from export houses and consign the goods to New York or other seaboard towns according to specific instructions. These shipments are handled in almost the same way as are domestic consignments.

2. Shipments of manufacturers who ship direct to merchants in Latin America from whom orders have been received. It is the handling of these shipments that requires the greatest attention and care.

Those Who Can Forward Goods in New York.—Most of the goods destined for Latin America are carried by steamship lines from ports in this country. Only a part of those to Mexico move by rail via the border. The great bulk of shipments are carried by way of New York. The forwarding of such shipments from New York City can be done by any one of the following means:

1. Export agents or New York offices of the manufacturer.
2. Forwarding agents; i.e., concerns who make it a business to forward shipments.
3. Railroad agents; i.e., the foreign departments of the railroad companies.
4. Drayage, transfer or trucking companies.
5. Express companies.
6. Steamship companies.

No matter which of these agencies is selected for the forwarding of the goods, the procedure in all instances is practically identical.

Foreign Freight Agents.—With the development of the export business, the railroad companies have been forced by competition to lend every aid to the exporter, and for the purpose of controlling traffic have seen fit to establish their own export offices where they attend to the various details in connection with forwarding shipments. The official in charge is generally known as the "foreign freight agent."

Drayage, Transfer or Trucking Companies.—Another result of the competitive conditions has been the establishment by trucking

companies of their own export agencies for the purpose of obtaining the hauling of export shipments. From this condition has grown the establishment of their foreign departments with expert service in the hauling of shipments forwarded by them.

Express Companies.—A recognized service of the leading express companies today is the handling of foreign shipments, and this is done by departments organized similarly to the forwarding agencies. Their charges are practically the same as those of other agencies for handling this class of business.

Steamship Companies.—While most steamship lines, particularly those plying from southern ports, are prepared to attend to the forwarding of shipments, they do not issue bills of lading until many details have been complied with. It is, therefore, advisable to make shipments in care of the other agencies indicated.

Forwarding Agents and Their Work.—The freight forwarding agent is of great assistance to manufacturers, particularly where a large business is transacted. It is an easy matter to obtain a reliable agency, as there are many in New York and the larger firms maintain offices in the principal inland cities. The names of forwarding agencies may be obtained in city directories, from commercial organizations, from railroad agents, from export journals in which they frequently advertise, and from foreign shipping guides.

Reliable Forwarding Agencies Obviate Errors.—A freight forwarding agency that can insure satisfactory service is able to obviate many errors, particularly when shipments must be transferred from railroad to steamship lines. Where possibilities of mistakes are so great because of this fact, the manufacturer should have a thoroughly reliable agency, even if its charges for handling are slightly higher. A good agency will make it possible to avoid fines and disagreements with Latin American importers.

Forwarding Combination Shipments.—By reason of the business transacted, many freight forwarders are enabled to combine numerous small shipments in carload lots, "consolidated cars," and ship them from the interior to ports in this country, from which they are forwarded to their ultimate destinations. In some instances, sufficient small shipments are available to consign beyond the ports of this country, in which case more favorable rates can be obtained for the ocean haul. Even those shipments can be sent

from the ports of this country under a combination bill of lading. The item of freight from an inland city to the port is frequently of considerable importance, and it is therefore highly advantageous to obtain the rates of forwarders.

Forwarding Agents Possess Advantages.—The freight forwarding agency, by reason of the volume of business it transacts, is enabled to make contracts with railroad companies, both at home and abroad, for the use of entire cars which it obtains at such rates that it can contract for hauling freight at lower rates than if the freight were shipped on individual bills of lading. With steamship companies it has a particular advantage, as space, which must always be contracted for, is rented in smaller lots to individual shippers, generally at a considerably lower rate than the latter could obtain direct. By combining an inland freight service with foreign freight forwarding, lower through freight rates can easily be quoted.

Principal Services of Forwarding Agents.—In addition to furnishing more reasonable rates, a good forwarding agent attends to all necessary shipping documents, including the shipping permit, consular invoice, and clearance certificate; provides translations of invoices and sees to it that every technical requirement is satisfied, thus avoiding for the manufacturer and his customer fines and difficulties.

Other Services of Forwarding Agents.—Other services of forwarding agencies include the following: effecting marine and other insurance, forwarding for collection drafts against documents, discounting documentary drafts, attending to importation of merchandise, and obtaining drawbacks. Caution should be observed in arranging with forwarding agents for the discounting of drafts, because of the possibility of loss by reason of carelessness on the part of the agency's correspondent, or the failure of the forwarding agent, which may cause complications.

Foreign Freight Agents' Quotations.—As it often happens that a favorable rate which includes duty and other charges results in the capture of business from a foreign competitor, the service of responsible and skillful freight forwarders will prove extremely valuable. Such forwarders undertake not only to quote the lowest rate but likewise to arrange for the importation into a foreign country, the payment of duty, etc. Their experience in such mat-

ters justifies their making contracts of this nature, the risk of which the ordinary manufacturer, because of his inexperience, would not care to assume.

Advantages in Combining Small Shipments.—The forwarding of a small shipment by an export agency obviates the necessity of carriage on a parcel receipt which is very commonly used in the case of small packages. However, the disadvantage of parcel receipts is that steamship companies, as a general rule, exclude from this classification cases which measure two or three cubic feet and which can have the benefit of forwarding at the tonnage rate under one bill of lading if handled by a forwarding agent. There is no standard of measurement and the regulations regarding size are different in the case of each steamship line.

Charges of Export and Forwarding Agents.—The charges made by export and forwarding agents vary, but when business is done with legitimate agencies or old established firms, the likelihood of overcharge is minimized. However, great care must be exercised as there are numerous unscrupulous agents who take advantage of the unwary and whose charges are often subject to much criticism. Although a nominal charge for the issuance of a bill of lading and the handling of an average shipment is \$1.00, this does not represent the profits of the forwarder whose further profits consist in charging more for drayage, transfer, etc., than is actually paid by him. It is safe to assume that very often the items for which bills are rendered by forwarding agents show more than actual expenditures. The abuses to which large shippers have been subjected have led them to establish their own offices in New York City or to make arrangements with an export agent, a portion of whose duties (as outlined in Chapter VI) corresponds to the work of a forwarding agency in the dispatch of shipments.

The Importance of Selecting Forwarding Agents.—A source of much complaint in the past has been the charges for forwarding shipments made by unscrupulous individuals who engaged in the business for the deliberate purpose of fraud. This is practiced by placing upon expense bills many needless or fictitious and excessive items which represent no actual or necessary outlay, as a result of which manufacturers receive claims from the importers which they must either allow or lose all opportunities for further business. The practices of fraudulent forwarders frequently take the shape

of heavy charges for cartage on very small lots which often weigh 5 to 20 pounds each, as much as \$1.00 being charged for drayage. Although the American manufacturer includes charges of the forwarding agencies in his invoices, it is to his advantage to insure the correctness of such items, and to minimize expenses.

Obtaining Quotations from Forwarding Agents.—The manufacturer can easily convince himself that proper charges are being made by obtaining quotations for services rendered by different freight forwarders and by the comparison of bills rendered by them. He should endeavor thoroughly to familiarize himself with conditions in order that no opportunity for overcharge may occur.

Instructions to Give Forwarding Agents.—No matter to whom instructions are given for forwarding a shipment, there are certain essential details which must be supplied. As a rule forwarding agents supply printed forms which can be filled in with the necessary directions. The form greatly simplifies the procedure. In any event the railroad bill of lading must be sent very promptly in order that the shipment may be handled expeditiously in port and storage charges avoided. With the bill of lading should be forwarded an invoice and manifest showing exactly the marks and numbers of the packages, and their weights (gross, legal, and net) in pounds and kilograms. It should also be definitely stated whether the shipment is to be consigned direct or to the order of the shipper. Full instructions as to whether or not freight is to be prepaid should be supplied; likewise, whether insurance (marine and pilferage) has already been effected or whether this is to be provided by the forwarding agent. The letter should also state to whom the bills of lading and consular invoices are to be sent; that is, whether they are to go to the consignee, to a bank for collection, or to be returned to the shipper. In the event that a draft for the value of the goods accompanies the shipment, the agent should be directed as to how to handle it; he should be told whether by broker, bank, or otherwise.

The Basis of Ocean Freight Rates.—Ocean freight rates are a serious factor in the development of trade with Latin America, particularly when applied to commodities on which the freight charges are heavy, for upon the variation of such charges the placing of an order may depend. As a general rule, freight rates for ocean shipments are quoted according to measurements, al-

though steamship companies reserve the privilege of determining rates which are usually quoted, "Weight or measurement, ship's option." The ocean ton is 2240 pounds, and this is considered the equal of 40 cubic feet. Coastwise traffic is based on the short ton (2000 pounds). The metric ton (2205 pounds) is now commonly used by European companies. Sometimes it is to the advantage of steamship lines to charge by weight, and this is especially so if the shipment weighs more than 56 pounds to the cubic foot. If the weight is less than this the freight is naturally calculated on the measurement basis. There are no definite rules, however, as contracts must invariably be made, and the law of supply and demand governs, to a very considerable extent, this phase of commercial intercourse. In order to make calculations easily and quickly, every shipping clerk should be supplied with a book containing computations of cubic measurements. Another requisite is a table for quick conversion of avoirdupois weights to the metric system, which is used in all the Latin American countries.

How to Determine the Measurements of a Shipment.—The measurements of a shipment must invariably be calculated by the extreme length, breadth, or thickness. If battens or strips are nailed along the end of a case, the tape must be passed around the outside thereof. Accuracy is very essential as numerous methods of calculation are involved, but the safest plan is to multiply the figure of the three dimensions as stated, after reducing them to inches by using 1728 (the number of cubic inches in a cubic foot) as a divisor; the result will be the cubic contents. This, of course, can easily be reduced to feet.

The Meaning of Minimum Bills of Lading.—All steamship lines fix a minimum charge for the freight carried on one bill of lading. In making this charge no account is taken of the amount of the weight or bulk of the freight. Because of this fact, forwarding agencies seek to combine several small shipments on one bill of lading in order that the freight on each individual shipment may be more reasonable.

Rates Dependent upon Shape.—As the largest dimensions are taken for length, breadth, and thickness, great care should be exercised in planning the packing, as the steamship company is accustomed to make an extra charge for "dunnage." By this is meant the cost of using lumber carried on the steamship to provide

for the proper stowing in the hold of the vessel of packages of this shape. This applies with particular force to an irregular bulk.

The Meaning of the Word "Primage."—Beginners in the export business frequently wonder at the word "primage," which is used in most ocean freight rates. This is a survival of an old custom which permitted the master of the vessel, or his seamen, to receive a payment for particular care in handling shipments intrusted to them. While this naturally has long since been discontinued, the primage is still charged, and may be the profit to the steamship line itself, to its agents, or to its solicitors. Naturally to the shipper it is of slight interest to whom this payment is made, but it must invariably be figured as part of the freight rate.

Unsettled Steamship Rates Compel Contracts.—Rates for carrying freight to Latin American ports fluctuate greatly and are governed solely by the law of supply and demand. In 1914, one of the results of the European War was the instant soaring of freight rates due to lack of steamship facilities.

How to Obtain Rates.—Rates may be obtained from the following sources:

1. *The Commercial or Export Freight Agents of the Railroad Companies.* Railroads with a large tonnage have established regularly organized foreign departments whose services will be found valuable.

2. *From Steamship Agencies.* Many steamship companies have agents in interior points who are in position to give information relative to rates of freight, dates of sailing, etc. Such information may also be obtained by applying to the offices of the steamship lines at the seaboard.

3. *From Responsible Forwarding Agents.* By reason of their volume of business, they are enabled to contract with steamship lines for space, which they in turn sell at a profit. By correspondence with several agents the best rates may be obtained. The question of ocean rates should be thoroughly investigated inasmuch as they are not fixed and there is no law which regulates them as in the case of railroad freight rates.

Handling of Shipments to Remote Points.—Shipments made to Latin America are not infrequently consigned to places very difficult of access, to which neither railroad nor steamship agents are

in a position to quote rates. When a through rate is desired, the manufacturer can easily obtain it by communicating with reliable freight forwarding houses in New York. The latter, by reason of their relations with customs brokers in the Latin American republics and other import agents, have unusual facilities for obtaining a knowledge of local foreign conditions.

Importance of Shipping Documents.—No matter where shipments originate, nor how they are forwarded, the necessity for proper documents remains the same inasmuch as shipments carried to Latin American ports by steamship companies must leave via a port. In the United States, the greatest volume of exports is via the port of New York, but shipments via other ports, such as Boston, Philadelphia, Mobile, New Orleans, and San Francisco, are increasing at a very rapid rate. No matter what agency is used for forwarding the goods, it is indispensable that documents should be in the possession of the consignee when the shipment arrives and as long before that as is possible in order that arrangements may be made for the payment of the duty, the disposal of the goods, etc. The failure of manufacturers to attend to the prompt forwarding of documents often leads to serious complications, expenses for storage, and other items which are invariably charged to the shipper.

For Shipments "in Transit."—When a shipment is consigned via a port in a country other than the ultimate destination, that fact should be specified. Thus a shipment for La Paz, Bolivia, if consigned via Mollendo, Peru, should be clearly marked on the papers, "Mollendo, in transit to La Paz." This will avoid difficulties with custom houses, likewise the payment of storage charges and other unusual expenses for freight and handling.

Forwarding Documents for Shipments via Frontier Points.—Many shipments are made by American manufacturers direct to Mexico. The importation of such shipments is attended to by custom house agents whose names are usually given by the importers. They may also be obtained from the railroad agents and directories. When forwarding shipments of this character, a copy of the bill of lading, together with copies of the invoice, should be sent to the customs agent at the particular port of entry through which it is necessary to consign the shipment, with the request that the necessary documents be obtained and the shipment

cleared and dispatched to the interior with the least possible delay. The original invoice, together with the railroad bill of lading, is sent direct by the manufacturer to his customer.

Payment of Inland Freight.—No matter to whom goods are consigned at the seaboard, whether to export agents, to freight forwarders, or to a steamship company, the inland freight should be prepaid, inasmuch as doing this obviates considerable delay in forwarding the shipment and simplifies its dispatch from the port. When the shipment has been placed on board the railroad and the bill of lading obtained, the latter, together with copies of the invoice, should be sent to whosoever will attend to the forwarding of the shipment from the port. Any instructions received from the customer should also be given.

Avoiding Excessive Transfer Charges.—One of the charges against which many complaints are directed is that of transferring shipments from the freight station of the railroad company which hauls the shipment from the point of origin to the seaboard. This is particularly true when shipments are handled in the port of New York, inasmuch as local conditions make transfer charges necessarily very high. Because of the numerous and widely scattered terminals and steamship docks, it is of the highest importance that the inland shipper should consign his shipment to the railroad pier nearest to the steamship line which is to carry it. In such calculations the export freight agents of the railroad companies are of great assistance, as are also reliable forwarding agencies. Shipping clerks should be warned carefully to investigate this matter, inasmuch as shipments to Latin America are carried by different lines, and it should be determined in advance of the shipment exactly what steamship company shall handle it, in order that proper directions may be supplied. Transfer charges represent the expense of hauling or trucking and ferrying shipments from the freight depot of the inland carrier to the pier or wharf of the outgoing steamer. Unscrupulous forwarding agents prey on the ignorance of the shipper and make unwarranted charges for such services.

How to Take Advantage of Free Lighterage.—The privilege of free lighterage granted to freight shipped in earload lots is an important factor to large shippers. In order to obtain the benefit of this privilege every bill of lading for freight in earload lots

should read very definitely, "lighterage free." If this is not done, extra charges are assessed for cartage from the railroad freight depot to the steamship pier. In the event that the latter is in Hoboken or Brooklyn, an extra charge for ferriage will also be added. Regulations relative to free lighterage in the port of New York may be obtained through forwarding agents.

The Use of Shipping Permits.—No matter if the shipper himself or his agent arranges for the forwarding of a shipment from a port, it is indispensable that a shipping permit be obtained from the steamship company. This permit is gotten in the name of the shipper or the freight forwarder who has obtained from the steamship company a contract for the room. In a permit are specified the date that the shipment is to be delivered to the steamer, the exact place where it is to be delivered, and other instructions, all of which must be carefully complied with.

How Goods Are Delivered.—Teamsters or truckmen carrying the shipment for which a permit has been issued must present it to the clerk of the steamship line on the pier before delivery is made or simultaneously with the shipment. It is highly important that merchandise shipped in bond shall not be delivered to the steamer until the latter is ready for loading.

The Use of Shipping Receipts.—The usual dray ticket will generally suffice for obtaining a receipt from a steamship company. In such instances, however, it is essential to obtain special blanks which are supplied gratis by the steamship lines. As already stated, it is advisable to number packages and to mark them with the utmost care. Such numbers and marks must appear on the dray ticket or receipt issued by the steamship company. The exact contents of cases, barrels, or packages must be absolutely and correctly stated. Dray tickets or receipts must be arranged in the name of, or indorsed to, the individual to whom the steamship bill of lading is issued. The receipts are taken up by the steamship line at the time of issuing the bill of lading.

The Use of Custom House Clearance.—One of the documents of greatest importance in the forwarding of freight from all American ports is the custom house clearance. This is a form which the collectors of customs are compelled to demand in order that steamers may be properly cleared. The steamship lines that

carry freight to Latin American ports are among those which are most vigorous in their complaints relative to the failure of shippers to present proper custom house clearances when bills of lading are issued. The custom house clearance is a document which must be carefully filled out in accordance with certain official instructions and is filed by the steamship lines, together with its own manifests, in the United States Custom House. A copy should be reserved by the shipper for use in special cases; for instance, in the event that shipments are returned to the United States, the custom house clearance serves absolutely to identify the goods and may obviate the difficulties of an assessment of duties.

Proper Custom House Clearances Required.—It is difficult for the manufacturer in the interior, unacquainted with the regulations incident to the exporting of merchandise, to understand many of these requirements and exactions. It is, however, important to realize that when goods forwarded for export are not described to the satisfaction of the United States custom house authorities, not only in reference to description of the article but as to quantity and value, the sailing of a vessel may be delayed until these requirements are complied with. The need for this is obvious, as the shipment of contraband or articles forbidden because of certain international agreements might involve the United States in serious difficulties.

Regulations to Supply Custom House Clearances.—The United States government insists that shipper's manifests or custom house clearances must be sworn to by the consignor in person, by the owner, or by a properly constituted and capable agent of legal age. When such an agent is appointed, the nomination must be made in writing by the principal, and the agent must possess a full knowledge of the value of the shipment. Railroad companies are not permitted to carry export shipments or consignments to non-contiguous territories of the United States, such as Porto Rico, Panama, the Hawaiian Islands, the Philippines, etc., unless they first obtain a detailed description of the shipment, its actual cost, a memorandum of quantity, etc., all of which statements require the signature of the shipper or of his agent.

Useful Publications in Shipping Problems.—There are several important publications which are valuable aids in the solution of

shipping problems. These are listed on page 490 of the Appendix.

BANKING DOCUMENTS, ACCEPTANCES AND THEIR COLLECTION

Bankers' Credits and Drafts.—American manufacturers who have received orders from Latin American countries have often, without investigation, informed their correspondents that no shipment would be made unless cash was sent. Not infrequently such refusals have been made to firms enjoying in their own countries the same or perhaps a better credit than the manufacturer. In view of the fact that many firms in Latin America have frequently been victimized by American manufacturers or export houses to whom they made remittances in advance, they naturally hesitate to remit unless assured of the responsibility of the dealers with whom they wish to do business. These difficulties have been obviated by the establishment of what is known as "bank credit," which serves to protect both the buyer and the seller. Its operation, which is very simple, merely consists in the payment by the bank (with whom the credit has been established for the account of the Latin American merchant) of a definite sum upon the presentation of the bill of lading covering the shipment. When such credits are arranged the bank notifies the manufacturer, and by this means large importers of Latin America have been enabled to take advantage of every discount obtainable by the payment of cash.

What a Draft Is.—A draft is a document drawn either by a manufacturer or merchant on a debtor for value received. Drafts are of various sorts. They may be drawn either with or without documents attached. In the *latter* case the draft, which is usually drawn at sight or payable at a certain definite time, must be accepted by the drawee before the documents are handed over by the bank, to enable the consignee to obtain possession of the shipment.

These documents are the bills of lading issued by the railroad companies or by the steamship lines. When such documents are issued by the railroads, they are called "export bills" and cover the carriage of the merchandise from point of origin to destina-

tion. The "original" bills of lading are those issued by the steamship companies from the port of sailing.

The Different Kinds of Drafts.—As a matter of convenience to dealer and banker, drafts on Latin American merchants should be drawn at a certain number of days sight (say 5 or 10), as the exact date on which they are payable is thus quickly seen.

Drafts are of two kinds, "documentary," and "clean." The first is merely a draft which, after certain documents, including the bill of lading, are attached, is forwarded to a bank and subject to acceptance or payment. A "clean" draft is a draft drawn on a consignee without documents. The latter is frequently used as a spur to debtors whose accounts are not paid at maturity. A failure to pay a documentary draft often results in a serious impairment of credit, while but little attention is paid to the non-payment of a clean draft which may or may not represent an indebtedness. When drafts at sight are accompanied by bills of lading, payment on presentation is expected, but in most instances such documents are held by banks until arrival of the merchandise. When drafts are drawn payable at a given time they are known as D.A. (documents to be accepted), or D.P. (documents to be paid).

Handling of Drafts "to Order."—Shipments to Latin America are made either direct on open account or "to order" against shipping documents. The first method requires no detailed explanation. The second means that shipments are made to the order of the shipper on a bill of lading which reads "to order," and attached to which is a draft payable at sight, or at a certain definite date, or at a certain number of days sight. In the latter instance, when the draft is accepted by the drawee (i. e., his name written across the face of the draft), it is known as an "acceptance" and handled as such. Most of the shipments made to the republics of Cuba and Mexico, to some points in Central America, and to the United States Territory of Porto Rico are on open account. The acceptance is of the greatest importance in international commerce, as it permits the houses of established reputation to use their credit freely in doing business and extending their sales. Shipments to order may be made with perfect safety to all the Latin American countries which protect the order bill of lading. This means that only with the bill of lading, consular invoice, and mani-

fest is it possible to obtain possession of shipments. The bill of lading covering a shipment consigned to order is attached to a draft which must either be paid or accepted before the bank or correspondent of the shipper releases this important document. There are but four countries in Latin America where goods shipped on order bills of lading may be obtained without the original bill of lading. These are: Colombia, Panama, Santo Domingo, and Venezuela. "To Order" shipments are prohibited by Venezuela.

Shipments made to these republics on the order bills of lading do not have the security of those shipped to other Latin American republics, and consignees have frequently obtained possession without the bill of lading. It is, of course, possible to ship on order bills of lading and drafts can be forwarded for collection, with the bill of lading attached, through banks or other correspondents. While shipments made to houses of recognized standing run no risk whatever, it is important that unusual care should be taken in making investigation of applicants for credit.

Handling Bills of Lading with Drafts.—On all documents relating to the export business absolute accuracy is indispensable. This applies with particular force to bills of lading, especially when they become parts of credit transactions and are to be used in connection with drafts which are discounted by banks.

Following are particulars to be followed in preparing bills of lading:

1. They should be issued to order of the shippers. The latter must place on them an indorsement in blank that the title to the merchandise may remain as a lien to the holder of the draft.

2. All copies of the bill of lading must be furnished to the bank which discounts the draft.

3. The number of copies of the bill of lading issued must always be stated on the face of the bill of lading. These must be supplied in duplicate or triplicate.

Other Documents to Be Attached to Drafts.—With every shipment carrying drafts against documents it is highly important to supply an insurance certificate. Like the bill of lading, it is made to the order of the shipper and indorsed in blank. This enables the holder to collect for loss of the shipment in case it should be necessary to make a claim. The certificate is for the amount of

the shipment plus something in excess of the invoice value, usually 10 per cent., to cover the freight and other charges. Another document that is desirable, but not indispensable, is an invoice covering the shipment of the goods. This serves to increase confidence in the reliability of the document. If desired, it may be inclosed in an envelope attached to the draft, being sealed to guard against publicity.

Exactions of Banks Regarding Bills of Lading.—In the financing of shipments for export, trouble sometimes arises with shippers who turn over to the banks drafts with only the domestic railroad bill of lading, and, in some instances, merely a dray ticket bearing the rubber stamp signature of a local freight agent. Banks invariably insist upon having attached to the drafts either all copies of the original bill of lading or the copies of the bill of lading issued by a railroad company. This is due to the fact that ownership of the property is vested in the bill of lading; consequently the freight carrier who issues it must accept responsibility and likewise protect the shipment. From this reason an inland railroad bill of lading is superseded by an ocean bill of lading, inasmuch as two sets of documents cannot govern a single shipment.

Making Bill of Lading "to Order."—It is almost the invariable custom in handling shipments to Latin America to use bills of lading which are consigned "to order." This is done by writing on a bill of lading, in the place where the consignee's name would be written, "order," or "shipper's order," and under this "Notify (the name and address of the consignee)." In handling such bills of lading before forwarding them they are signed by the shipper and on the back is placed an indorsement, this being usually in blank.

How to Insure Prompt Forwarding of Documents.—When shipments are made to republics on the east coast of South America, all the documents relative thereto should be forwarded by the same steamer which carries the freight, thus assuring their prompt delivery to the consignee. As the lines which ply in the South American trade do not issue ocean bills of lading to the freight forwarders (or to the agents of the shippers) until the shipments are in the holds of the vessel, it usually happens that such bills of lading are probably not available until a day or two

before the sailing of the ship. For this reason also a responsible forwarding agent should be employed, the expense being relatively small in comparison to the service obtained. As many manufacturers are at too great a distance inland, no time is left for them to obtain the ocean bill of lading, which they must sign and indorse that the shipment may be properly forwarded. By making special arrangements with interior banks, the correspondent of the latter, located in New York City, is enabled to furnish proper protection. The correspondent, having been granted written authority or holding the power of attorney of the manufacturer, can sign and indorse the bills of lading and mail them together with drafts, shipping manifests, consular invoices, and all other necessary documents, by the same steamer which carries the freight.

The Sending of Documents for Acceptance.—If it has been understood, in transacting business with the Latin American merchant, that a draft is to be made for the value of the merchandise, and the manufacturer either does not care to discount the draft or is unable to do so, the draft accompanied by the bill of lading, insurance certificate, invoice, etc., all properly indorsed, is sent forward for acceptance. The manufacturer frequently sends the documents direct to the foreign bank in order to minimize the charges for collection. If the draft is at 60 days sight the consignee, upon notice that the draft is in the hands of the bank, personally writes across the face of the draft "Accepted," and the date.

The documents covering the draft are then handed to him and the draft is held until maturity when it is again presented and collected. In the event that the draft is not paid the bank may cable for instructions or return it to the drawer.

The Routine of Making Shipments to Order.—When a manufacturer makes a shipment consigned to Latin America with draft attached to bill of lading, the following routine is observed:

It must first be determined whether the shipment is to be made direct or in care of a forwarding agent. If a manufacturer instructs his agent to handle a shipment he must give full directions as already outlined, and accompanied with instructions regarding the draft. If the manufacturer forwards a shipment in care of a steamship agent and will himself attend to the forwarding of documents for collection, he must direct that the consular

invoices, ocean bills of lading, etc., be forwarded to him. When these are returned, the original and duplicate bill of lading, the consular invoice (as many copies as may be required under the laws of the country), the shipping manifest, and the insurance policy are attached to a draft. The latter is made out in accordance with the terms granted by the manufacturer's representative, or as previously arranged. In the draft is stated at how many days sight it is drawn, or the exact date it is payable. All drafts are made in duplicate, and, in order to insure the payment of only one draft, the duplicate bears the clause that it shall only be paid in the event that the original is not paid.

How Drafts Are Forwarded and Collected.—Drafts are always drawn to the order of the manufacturer and indorsed in blank. There are various methods of collecting a draft: (1) It may be placed with a manufacturer's local bank which forwards it to a New York correspondent which in turn sends it to its own correspondent in Latin America; (2) it may be sent direct by the manufacturer to the New York agent of a bank whose business is in Latin America; (3) it may be forwarded direct by the manufacturer to the foreign bank. The factors which determine the method to be followed are these: the charges usually paid for collecting, or the relations of the manufacturer with the correspondent. Upon arrival of the draft at its Latin American destination, if all its documents are found in order, the draft is accepted payable upon the date to be specified in the body and thereupon the documents including the original bill of lading, consular invoice, etc., are delivered.

Important Detail in Making Draft.—Instructions concerning the handling of drafts should be very explicit. The banker or correspondent should be notified what course to pursue in the event of the nonpayment or nonacceptance, and what extension of time, if any, should be granted. If documents are to be delivered only upon payment this should be clearly stated; otherwise they may be given to the drawee upon mere acceptance. Instructions should also be given as to protest in case of the dishonoring of the draft. Drafts on South America are usually drawn in pounds sterling for the reason that by this method possible losses from bankers' charges in conversion and collection are avoided. Such drafts should always bear a clause, "Payable at the bank's

selling rate for sight draft on London," or "For 90-day drafts on London," in accordance with the terms agreed upon. When drafts are drawn in dollars the following clause should be used: "Payable at the bank's selling rate on New York."

The Documents Required by a Bank.—The utmost care is necessary in the preparation of documents for shipments upon which banks advance money against acceptance. The following papers are required by banks which discount drafts:

1. The original commercial invoice and bill of lading.
2. The necessary number of copies thereof, in accordance with the customs regulations of the country to which the shipment is consigned.

3. Consular invoice, together with the necessary number of copies thereof.

4. Marine insurance certificate.

5. Any other documents provided for in the regulations of the Latin American republics. When a shipment is carried by a steamship line, the original ocean bill of lading must be attached, together with any negotiable copies that may be issued. Where an export bill of lading is issued by a railroad company, the original and negotiable copies thereof are also required.

Interest and Commission on Accepted Drafts.—As the granting of time by reason of a draft at a certain period sight is in reality a concession of credit, it is customary for the consignee to pay the interest on the draft. This is calculated from the date of the shipment to the maturity of the acceptance. It is almost always calculated before the amount is inserted on the draft, as this is for a definite sum to which interest is not added. In addition to the time as specified in the draft a provision is made for the period during which the remittance is in transit. A shipment consigned via New York to a point in Chile would require on an average about seventy-five days before the proceeds of the draft could reach the United States. Thus, if the draft were drawn at sixty days sight, there would be added thereto the period of seventy-five days, a total of one hundred thirty-five days for which interest would have to be included. Before a draft is made it should be definitely ascertained for what time the interest should be figured. The best places to obtain this information are the banks, which are fully aware of the time required. Another charge that

is made is that for collecting. This may also be determined in advance by consulting the banks, which have a schedule of all the charges made by their correspondents.

The Items Which Should Be Included.—There are certain charges for which invoices must be rendered, and which must be included in the total of the draft, but it is generally wisest to render a separate invoice for these charges rather than include them on the bill for the merchandise. These items should be:

1. Inland freight.
2. Ocean freight.
3. Consular fees, including the cost of the blanks, certification and the bills of lading, and invoices.
4. Forwarding charges of agents.
5. Marine insurance.
6. Interest.
7. Collection charges.

Understanding Regarding Collection Charges.—As many vexatious differences arise relative to the charges for collecting drafts (interest, postage, exchange, commissions for collection), the manufacturer should have, at the beginning of business relations, a definite understanding as to who is to pay the cost of collection. Many exporters insist that the customer pay these charges, and as the cost may reach a large total it is essential that the question be determined very early.

The Theory Regarding Charges.—When a Latin American merchant places an order in the United States he arranges to make payment here or, in the contrary event, to have a draft drawn against him. In the latter case it should be definitely stipulated whether the draft is to be drawn in dollars or the money of the country to which shipment is consigned. The Latin American buyers are very prone to object to the charges for exchange and if the latter is unfavorable they will endeavor to place the expense on the shipper. In any event, as there will always be a charge for collection, this question should be definitely settled at the opening of relations.

Charges Made for Collecting Drafts.—The charges made for collecting drafts vary greatly but when documents are sent direct to a foreign bank by the shipper the charge in the more important commercial centers is $1\frac{1}{8}$ to $3\frac{1}{4}$ per cent. When drafts must be

sent from the main office to the branches in the interior, the charges are larger, each handling incurring an additional expense. In the event that drafts are forwarded direct to remote points the charges are also lower, varying from $\frac{3}{4}$ to 2 per cent., although the latter charge is very rare.

Where Payments Are Usually Made.—Because of the fact that a credit of sixty days corresponds almost to cash terms in dealing with Latin America, the charges for interest and collection are calculated only when the acceptance reads at sixty or ninety days sight or at a longer period after the arrival of the shipment.

How to Obtain Lowest Possible Rates.—Manufacturers who discount drafts may find it to their interest to take advantage of bankers' sight exchange on London. Whenever a manufacturer discounts a draft covering a shipment of merchandise, he is practically negotiating a loan. When a draft is made at ninety days sight on a Latin American country, it is possible to obtain a ninety days sight exchange on London at a much lower rate. This is due to the fact that in Latin America the interest rate is extremely high and very much in excess of that of the United States and England, Germany, France, Italy, and Spain.

Procedure in Event of Non-payment.—No matter with what care credit is extended to Latin American buyers, it sometimes happens that drafts drawn against documents are not accepted. When such drafts have merely been forwarded for collection the maker (if he indicated his desire to be notified) is advised by cable or mail and must arrange for disposition of his shipment, which can be done either by ordering its return or by arranging with some other importer for its acceptance. When a draft that he has accepted is protested because of non-payment the drawer may place the matter in the hands of a lawyer recommended by the bank to whom the documents have been forwarded. This is occasionally necessary in the case of responsible firms who find it impossible to meet drafts at maturity.

How Drafts May Be Discounted.—It is possible for a responsible manufacturer, who makes his shipments with drafts attached to documents for definite acceptance, to realize cash immediately upon forwarding of the goods. The discounting of such drafts will become far more common than it has been in the past, particularly as the recently enacted National Banking Law makes available

such a large sum of money for discounting. The discounting of such drafts is still considered a loan to a shipper, although it should not be so regarded. However, the accommodation should be easily obtained by a drawer whose credit is good.

The means for discounting these drafts are as follows:

1. The manufacturer's local banker. It will be somewhat easier in the case of banks which have foreign departments.

2. Banking institutions in the port cities, particularly New York.

3. Private banking houses in New York City.

4. The branch offices of banks whose principal business is in Latin America.

5. Responsible forwarding agents.

It is naturally far easier to undertake such transactions with banks which are thoroughly familiar with conditions in the Latin American countries. As the trade develops and specialized knowledge increases it will become still more so, and the discounting of drafts will be regarded with less suspicion than it has been in the past.

Discounted Drafts Represent Credit Transactions.—Where a manufacturer makes a shipment, documents attached to bill of lading, the draft to be accepted at a fixed period, even though he is successful in it and realizes the money his responsibility remains until the draft has been paid by the customer. It is even more important to the manufacturer to investigate thoroughly the credit standing of his customers and determine their responsibility when arranging the discounting drafts, as their failure to make payments reflects upon his standing. Although there is no fixed custom, the manufacturer frequently calculates the interest for the full period from the date draft is issued until returns therefrom are in his possession, compelling the consignee to pay it.

Acceptance of Time Drafts.—One of the sources of loss to American manufacturers has been the acceptance by them of drafts which seemed perfectly good documents but which developments proved to be worthless. The method employed in these swindles has been as follows:

The house in Latin America ordered a bill of merchandise from an American importer. Accompanying the order was a draft at 90 or 120 days sight on some firm in England, Germany, or

France. The manufacturer placed it in the hands of his local banker for collection; the latter forwarded it to his correspondent who obtained without any difficulty the acceptance of the drawee. Being satisfied that the draft would be paid, the merchandise was shipped. When the time specified in the draft expired and the draft was presented for payment, it was refused, and the American manufacturer realized too late that he had been victimized. Credit should not be based on drafts drawn in this manner unless the responsibility of the firm against whom the drafts are drawn is thoroughly investigated.

CHAPTER XII

CREDITS IN LATIN AMERICA. TERMS, FINANCING, COLLECTING PAST DUE ACCOUNTS

Introduction.—One of the complaints most frequently made by American consuls and Latin American merchants who have sought to establish trade relations with American exporters is that the latter often refuse to grant credit and insist upon payment before shipment. When it is realized how difficult it would be to establish a domestic business under such conditions, it is apparent why trade with Latin America cannot be built in that manner. The conditions affecting credit risks in most of the countries are such that if an effort is made to ascertain the standing of an importer very little risk is run. For this reason the importance of extending credit must be recognized and a competent credit man can as easily determine whether merchants in Buenos Aires or Bogotá are entitled to credit as he can intelligently determine this question in the case of the small merchant in a neighboring town.

Misunderstandings Regarding Terms.—The assertion is frequently made that European countries have been so successful in Latin America because of the terms granted by them, and it has been urged by many American manufacturers that because of this they are unable to enter the markets. It is sometimes forgotten that in certain lines of manufactures in the United States the custom still prevails of granting terms which, if extended to Latin America, would be considered very long. An instance of this practice is the datings granted by manufacturers who make shipments to their customers in the Western or Southern states, beginning early in May, with invoices payable October 1st to November 1st. It sometimes occurs that at maturity such accounts cannot be paid and even a further extension is necessary, although this is not usual. Manufacturers who can grant such accommodations in the United States should find no difficulty in extending the

same terms to Latin America. On the other hand there has been a noticeable effort in certain quarters to shorten the time granted Latin American buyers by European houses.

Misunderstandings Regarding European Methods.—The credit methods of European exporters are frequently misunderstood. Generally speaking, European manufacturers observe the same methods that a well-managed American house would use in granting credits to clients. The traveling representative is an important factor, as he is expected to make personal investigation, which is regarded as of great value by his firm.

European Terms in Latin America.—The terms upon which importations are made from European countries vary, but 90 days credit is generally given. In addition there is an allowance of 30 days for the arrival of the merchandise and 30 days for receipt of the payment of drafts, a total of 150 days credit, for which accommodation 6 per cent. interest is paid. In some instances, responsible houses discount their bills as in the United States, while others find it desirable to take advantage of the longer credit terms of European houses. The European exporter, as a rule, draws drafts against acceptance, which he in turn discounts with his bankers. However, a considerable volume of business is transacted on open account with periodical settlements, interest at 6 per cent. usually being charged for the time that the account is open.

Why Dealers in Latin America Require Time.—An analysis of the commerce of Latin American countries makes it possible to account for the frequent requests for longer terms than are customary in the United States. In practically every country and on almost all articles duties must be paid, and sometimes the latter, together with the freight charges, represent a cash outlay equaling 50 per cent. to 70 per cent. of the value of the goods. Because of conditions, the stocks cannot be delivered as often as in the United States and frequently, in order to justify direct importations, larger quantities must be purchased than are actually needed for immediate requirements. The purchasing power of the people per capita is considerably smaller than in the United States.

The Effect of Agriculture.—In almost all of the countries the credit system has grown out of conditions which the importers deplore but for which they are not responsible. The Latin Amer-

ican republics are essentially agricultural and will continue to remain so indefinitely. The crops vary according to the countries but are largely seasonal. The importers frequently, like the general merchants in agricultural communities in the United States, must finance the natives, and are compelled to wait until returns can be had from crops. The lack of sufficient capital for local needs increases the necessity for credit. This does not apply to every concern, but even in the case of many business houses of high standing and large affairs a long credit is desirable because of the extent of business done.

Infrequency of Bankruptcy.—The financial solidity which is a Latin American characteristic is naturally due to the conservatism of the business men. The commercial mortality is much lower in the Latin American countries than in the United States.

Although failures occur, particularly in the rapidly advancing communities such as Buenos Aires, Rio de Janeiro, Santiago, and other large cities, they nevertheless are not more disastrous than failures in the United States. In almost all places, failure is regarded as a serious reflection upon the character and good faith of the merchant, and every effort is made to avoid it.

Percentage of Losses by Bad Debts.—American manufacturers who have intelligently sought Latin American business have proved through their experience that by observing caution and by pursuing the same methods as in the extension of credit at home, their losses in Latin America have been practically nil. However, under no consideration should shipments be made without a thorough investigation—because of the swindles often attempted.

How Credit Information May Be Obtained.—There are various means of obtaining credit information on houses in Latin America. Following are the principal means:

1. Mercantile agencies: R. G. Dun & Co., and Bradstreet's.
2. Business organizations, such as the National Association of Manufacturers, New York; the Philadelphia Commercial Museum, of Philadelphia, Penn.; the American Manufacturers' Export Association, New York.
3. Foreign departments of American banks and branches of foreign banks in New York City.
4. Banks located in the city or territory where the order originates.

5. American or foreign concerns with which the Latin American importer has done business and whose names are given by him as references or are obtained by traveling representatives.

6. Traveling representatives or local agents are often able to obtain at first hand the most reliable information upon which to base the extension of credit.

7. Trade papers, export journals, etc., as a part of their service volunteer to obtain credit reports for their advertisers.

8. Exchange Bureaus. Many manufacturers now use exchange service such as the Credit Clearing House and the National Association of Credit Men. The latter organization conducts a foreign trade bureau similar to the domestic service.

The Service of Mercantile Agencies.—The credit reports furnished by the two leading agencies of the United States on Latin American houses are almost invariably equal to those on domestic firms. Branch offices are maintained in the principal capitals, while agents and commercial correspondents in almost all commercial centers make it possible quickly to obtain detailed reports where none are on hand. The files of these institutions are being constantly enlarged and the cost of the reports has steadily decreased while the efficiency has increased. The reports on Latin American firms cost more than those on domestic houses.

The Reports of Business Organizations.—Membership in commercial organizations such as the National Association of Manufacturers, the Philadelphia Commercial Museum, etc., entitle members to a certain number of credit reports. When the number is exhausted an extra charge is made. The information desired is frequently on file, but when not, it is obtained by correspondence with bankers, merchants, and business houses in general.

Banks in New York City.—Manufacturers located in interior cities may ask their local banks to obtain for them reports on merchants in Latin America. These records are supplied by the foreign departments of banks located in New York, which in turn obtain them from their correspondents.

Certain banks which make a specialty of Latin American business maintain very complete files and are constantly increasing the number thereof. A list of banks which are particularly interested in this subject will be found on page 504.

Banks in Latin America.—Direct information may be obtained

by writing to banks located in the city where the merchant or importer who sends the order is in business. Such a report is usually reliable and the mere statement of a bank that a merchant is worthy of credit is sufficient, even though no details are given. In this connection there should be noted a very marked characteristic of credit reports from Latin America. Replies of bankers are often laconic and confined to a bare statement that the person concerning whom the inquiry is made is worthy or unworthy of confidence. Because such reports are, as a rule, honest, they are as valuable as more extended information.

When making inquiry of a foreign bank an international post office coupon should be inclosed, and in the event that a charge is made for the report (which is not always the case), it should be promptly remitted by international post office money order.

American or Foreign References.—Naturally in transacting business with Latin American merchants references should be exacted. The names of firms with whom business is done are especially desirable.

Inquiries may be addressed to such houses, but information should not be asked of a competing manufacturer. Letters to foreign manufacturers should invariably be accompanied by international post office coupon to cover the reply, as United States stamps are useless.

An Interchange of References.—It is of great value to obtain an interchange of references on merchants located in Latin America, as is now the case in the United States. This work is done by the National Association of Credit Men, through its branch offices.

How Foreign Credit Reports Differ from Domestic.—The credit report on the buyer in Latin America differs from that on the domestic merchant chiefly in that it is lacking in details. This is the result of the system that has obtained for many years, and must be taken into consideration. A report merely to the effect that the firm concerning whom inquiry is made is reliable and wealthy is sufficient to justify a reasonable credit. Reports may be extremely terse but nevertheless dependable.

The Necessity of Obtaining Many Reports.—It is equally as important, in passing on credits on merchants located in Latin America, that all available information should be obtained, and particularly where a large sum is involved. The various means

suggested should be utilized, and the credit reports should be renewed from time to time. Conditions in Latin America, particularly since the outbreak of the European War, have been more unfavorable than in recent years and it is therefore essential that records be kept up to date.

The Advantage of Open Credit Dealing.—Many of the most successful American manufacturers who have established business in Latin America have done so by selling on open account. By this is meant the custom of granting credit to firms of recognized standing on the same conditions on which credit is extended to such firms in the United States.

When and How Open Credit Is Extended.—Credit is only granted where a thorough investigation has resulted in definite knowledge of the unquestionable standing of the concern. It is based on absolutely reliable credit information and on the experience of other houses. Where open credit is extended to firms of recognized standing, the experience of manufacturers is generally pleasant, as most responsible Latin American concerns are disposed to fulfill to the letter any agreements that they make. The basis of settlement of accounts is definitely agreed upon, and the invoice must be paid within a fixed term, sixty, ninety, one hundred and twenty, or one hundred and fifty days as determined. At the outset it must be definitely agreed what allowance, if any, is to be made for the arrival at the destination of papers and merchandise, and likewise for the time the remittance is in the mails.

Instructions to Salesmen Regarding Credits.—American travelers may profitably follow the custom of European traveling salesmen, who invariably make preliminary visits to the merchants whom they desire to sell, and then to banks or banking houses in order to obtain information relative to the standing of the merchants. Salesmen who are fortified with the proper letters of introduction are enabled to obtain information on which to base their efforts, and consequently do not spend their time obtaining orders which will be declined later. The methods of European commission houses and importers in the matter of obtaining information are practically identical with those followed by American houses, with the exception that European traveling salesmen are a far more important factor in determining credits than American salesmen. This is because of the European belief that

a man on the ground is in a position to investigate the credit standing of a dealer much more quickly and thoroughly than can be done by mail. The losses of European houses as a result are insignificant.

Time Needed for Gathering Information.—The American manufacturer, particularly when not experienced in Latin American trade, is likely to expect his travelers to cover the ground too quickly. In the long run, a greater volume of business can be obtained, and far more satisfactorily, if enough time is spent in each place. Credit and general information gathered by the salesmen in this manner can be used in the future in the development of business. Furthermore, by taking sufficient time to obtain full data regarding the best methods of packing, custom house requirements, etc., they are enabled far more intelligently to serve their houses than otherwise.

Extending Credit to Small Dealers.—Great care should be exercised in granting credit to small merchants from whom salesmen frequently send orders without proper investigation. Unscrupulous dealers seek to take advantage of American exporters, believing that because orders are small the credit will not be withheld. When shipments from such firms arrive, they are rejected and in many instances, when they cannot be successfully placed with other dealers but have to be sold at auction, the unscrupulous importers themselves buy the shipments. Because of the difficulties surrounding the collection of small amounts, particularly when it is necessary to resort to legal means, orders from firms of doubtful standing should be refused because, though small, the risk is even greater than in the case of large orders from known concerns.

Unknown Firms Should Be Avoided.—Many salesmen also make the mistake of obtaining orders from individuals who have no credit standing and about whom it is difficult to obtain information. The American manufacturer should particularly caution his representative in this respect, as it is extremely difficult to collect such accounts in the event that payments are refused.

Credits Extended to South American Governments.—American manufacturers sometimes lose valuable opportunities for the sale of their products to the governments of Latin America. In the case of most of the republics, when sales are made to the governments, settlements are arranged as promptly as in the case of orders

obtained from the American government. It is unfair to deal indiscriminately and to adopt a strict rule against credit transactions with those states. Before cash is exacted every effort should be made to ascertain exact conditions that there may be a sound basis for refusal of credit, as countries like Argentina, Brazil, etc., have the very highest credit standing.

Methods of Collecting Open Accounts.—It is customary, in shipping goods anywhere, definitely to fix a date of payment. Responsible houses in Latin America, jealous of their credit standing, endeavor, to the fullest extent of their ability, to meet these conditions. Payments are made in any one of the following ways:

1. By remitting direct to the manufacturer draft on New York or London. If the terms agreed upon are ninety days from invoice it should be definitely stated whether the payment is to be made by the merchant at the expiration of that period or whether the remittance is to be in the hands of the manufacturer within ninety days from the time of shipment.

2. It may be agreed that the manufacturer shall make a draft to be presented to the merchant for acceptance. This draft may be either at sight or at a definite number of days sight and must be honored at maturity. In that event the draft must be mailed to the collecting bank a sufficiently long time in advance to permit of its being collected and proceeds remitted.

3. It may be agreed that the manufacturer shall make draft at the time shipment is forwarded, attaching thereto the bill of lading, which shall be delivered to the consignee upon acceptance. Maturity is thus definitely fixed, and collection is made by the bank which retains the draft or to which it is returned for collection at the proper time.

The Collection of Open Accounts.—When shipments are made without drafts, and with no definite understanding regarding dates of payment or the manner of settlement, the problems of the manufacturer become more complex. While responsible business houses in Latin America regard their obligations with great seriousness, nevertheless the same difficulties confront the manufacturer in collecting his bills as are the case in the United States. It is extremely important that this question be approached from the proper standpoint, as accounts which have cost a great expenditure of time and money to open may easily be lost. The following

suggestions relative to this phase of the export problem may prove helpful:

1. *Maturity Should Be Definitely Fixed.* The consignee should be tactfully informed at time of shipment how remittance is expected and when payment should be in the hands of the manufacturer. If the terms are ninety days, the consignee should know whether this means that he is to make remittance ninety days from date of invoice, in which event (from the more remote points in South America) at least four weeks must be allowed by the manufacturer to receive the draft.

2. *The Sending of Statements.* When statements are mailed they should be accompanied by polite, tactful letters. The average Latin American merchant is extremely sensitive and if such letters are not properly couched they will act as a cause of extraordinary irritation. If the manufacturer is especially desirous of increasing his business, he should invariably make the letter serve as an invitation for further orders. If the terms agreed upon, for instance ninety days, mean that remittance must be made at the end of that time a statement may be mailed sufficiently far in advance to reach the customer at maturity.

3. *First Steps in Collections.* If an account becomes overdue and sufficient time has elapsed for the remittance to have been received, another reminder, also polite, may be sent. The importance of waiting a sufficient length of time for replies to be received to letters of this nature cannot be overestimated. Many manufacturers fail to take into consideration the time that is required, and by following the routine of American collection methods a series of three or four letters, many of them of a very harsh nature, are often received by the customers (sometimes on the same steamer) before they have time to reply. This is a most vicious failing of many manufacturers and a certain means of nullifying intelligent work on the part of the sales department.

4. *Attitude in Collections.* The business man who is serious in his efforts to establish a business in Latin America must exercise the utmost patience. In no phase of the business is this more essential than in the matter of correspondence. A willingness to overlook the delays incident to this feature will be of the greatest value in creating trade. If, however, an account has become considerably overdue and there is no immediate prospect of collec-

tion, a draft may be made. This can be forwarded either through the manufacturer's local bank for collection, or may be sent by the manufacturer to a bank in the city where the customer in Latin America is established, or to the nearest available institution. Private drafts of this nature often serve to expedite collections. They must invariably be accompanied by letters of the right sort and unless properly written from the standpoint of the Latin American they may destroy chances for further business.

5. Collection of Accounts Long Overdue. As in the case of domestic business and despite all precautions, some accounts in Latin America become so long overdue that harsh measures must be resorted to that collection may be enforced. The taking of legal action (except in the most extreme instances) is strongly discouraged. This is simply because the procedure in Latin American courts is both expensive and exceedingly protracted. There are, however, means of collecting accounts from concerns without legal action. When it is desired to make collections of claims, there are several organizations whose experience, developed as a result of many years' business dealings in Latin America, is very valuable and may be taken advantage of. The Philadelphia Commercial Museum, for the benefit of its members, handles such claims. The foreign department maintained by the National Association of Manufacturers of New York likewise undertakes the collection of such accounts.

Work of Collection Agents.—The American Manufacturers' Export Association is still another means. It is not unreasonable to expect that as a result of its effective dealing with this problem in the United States, the National Association of Credit Men, through its bureaus, will extend its valuable work to Latin America and serve its members as successfully in that field as it has in the United States. The commercial agency of R. G. Dun & Company also maintains a collection bureau. In the large Latin American cities are organizations similar to the collection agencies in the United States, the names of which are easily obtainable. The cost of collections through such organizations and of lawyers is somewhat high, being usually not less than 15 per cent. and frequently running even higher. This is due to the fact that the correspondents (usually lawyers) in Latin America exact a higher fee than here and often insist upon a retainer before undertaking

any collections. It is highly important that the credit man should exhaust every possible means of making collection before placing his accounts in the hands of a collection agency, and where delay is apparently caused by local temporary embarrassment or as the result of the fluctuation of the rate of exchange it will prove far more advantageous to wait a reasonable length of time than to make collection through an agency.

How Legal Action May Be Taken.—It may be laid down as a general principle that the American manufacturer is at a disadvantage in bringing suit in Latin American courts. The costs as a rule are excessive, the time involved is considerable, delays are frequent, and altogether it is far more difficult to obtain results by legal means than in the United States. If such action is inevitable, only the very best lawyers should be consulted, and claims should not be placed with foreign attorneys unless their reputation and responsibility has been looked into. To safeguard his interest in that direction a manufacturer forwarding a claim requiring legal attention should do so through a reliable bank, requesting that the matter be handed over to an attorney of recognized standing. Where the name of a lawyer is not available for the manufacturer, this will quickly result in his claim reaching the hands of a reputable attorney.

The Importance of Adjusting Claims.—In building a business with Latin America, it is inevitable that claims of various sorts should arise. Notwithstanding all precautions that are taken, misunderstandings and claims, both fair and unfair, will be made. It frequently happens that the customer files a claim for the purpose of obtaining additional time and thus delaying payment, or in order to avoid payment indefinitely.

In handling the adjustment of claims, the American merchants should show a spirit of the utmost liberality. Where the exporter is himself responsible because of a failure to follow certain directions, he should not quibble but allow proper credit. Much can be done even with a dissatisfied customer in Latin America by the proper sort of correspondence. When the manufacturer proves to his customer his willingness to do what is right by being profuse in his apologies and showing great fairness, he can oftentimes strengthen his claim to a share of the dealer's patronage and be more firmly intrenched in the buyer's favor than if no claim had been made.

A shortsighted policy in the adjustment of claims with Latin American merchants is found to result disastrously. In the adjustment of claims the American manufacturer may use the good offices of correspondents and if his relations with banking institutions have become particularly close the aid of such banks may also be invoked. If it is manifest that claims are made for the purpose of deceit, fraud, or unfair advantage, the manufacturer has the opportunity of proceeding to collect through any of the means ordinarily open for the adjustment of such accounts.

Means of Obtaining More Detailed Information.—There are several valuable publications which treat very exhaustively the foreign credit problem. These are listed on page 493 of the Appendix.

CHAPTER XIII

BANKING SITUATION. FINANCIAL CONDITIONS IN LATIN AMERICA. STERLING AND DOLLAR EXCHANGE

Introduction.—The topic of financial relations with Latin American countries has received much attention from business men. The lack of adequate banking facilities between the United States and the southern republics has often been urged as a drawback to more intimate relations, but so far as the average transaction is concerned, this may be said to be without foundation. The business man whose products are salable in Latin America has rarely been at a loss to obtain payment therefor because of lack of banking facilities. On the other hand, from a broader aspect, the extension of the American banking system to the Latin American countries was obviously important for greater convenience in financial transactions.

Financial Conditions in General.—The financial conditions in the twenty Latin American republics differ almost as widely as their climates. Some of the republics, as indicated in the first chapter, enjoy excellent financial conditions while in some of those less developed the situation is unsatisfactory. As a result, it is necessary to differentiate and to analyze the conditions peculiar to each of the countries. Such an analysis must concern itself not only with the currency, but also with the local banks and the banking institutions of other nations.

Character of the Currency.—The student of economic conditions in Latin America will quickly realize that in many of the countries a drawback to their development is the currency system. Some of the republics, like Costa Rica and Uruguay, are on a sound financial basis, but in others the currency, which is paper, is greatly debased. It is interesting, in this connection, to note that in those countries with which our relations are particularly close, or where American protectorates, nominal or actual, have existed, American money is used and circulates very widely.

Among such countries are Cuba, Haiti, Nicaragua, Panama, and Santo Domingo.

The Difference of Monetary Systems.—In general there are four kinds of currency: viz., “metallic,” “representative,” “asset” and “fiat.” These are based on the four different monetary systems which are in use in various republics. The gold standard has been adopted by Bolivia, Cuba, Costa Rica, Ecuãdor, Haiti, Nicaragua, Peru, Santo Domingo, Uruguay and Venezuela; in these countries the sole legal tender is gold. The gold exchange standard is used by Argentina, Brazil, and Panama; in these republics the legal tender is gold as well as other forms of money. The silver standard is in use by Honduras and Salvador and in these two countries silver is legal tender. Inconvertible paper is used by Chile, Colombia, Guatemala, and Paraguay and its currency values change greatly from day to day.

The Cause of the Fluctuations.—The monetary values, even in those countries with a sound system, have been disturbed by the European War. The exact causes need not be discussed here. On the other hand, it should be pointed out that in almost all of the republics, and especially in the four last mentioned, the fluctuations are very wide. The principal factors which effect these changes are: the balance of trade; the demand for exchange on London or other nations; speculation (which is important); and general business conditions. In consequence of fluctuations, merchants sometimes delay remittances while waiting to take advantage of more favorable rates.

The Latin American Units of Value.—The following is a list of the units of value in Latin America. The face value is subject to change for the reason given in the preceding paragraph, but will serve to illustrate the point:

COUNTRY	UNIT	FACE VALUE	COUNTRY	UNIT	FACE VALUE
Argentina.....	Peso.....	42-44 cents	Honduras.....	Peso.....	39 cents
Bolivia.....	Boliviano.....	39 cents	Mexico.....	Peso.....	(Indefinite)
Brazil.....	Milreis.....	33- $\frac{1}{2}$ cents	Nicaragua.....	Cordoba.....	1 Dollar
Chile.....	Peso.....	15-35 cents	Panama.....	Balboa.....	50 cents
Colombia.....	Peso.....	01 cent	Paraguay.....	Peso.....	02- $\frac{1}{2}$ - 5 cents
Costa Rica.....	Colon.....	46- $\frac{1}{2}$ cents	Peru.....	Sole.....	48 cents
Cuba.....	Peso.....	1 Dollar	Salvador.....	Peso.....	44 cents
Ecuador.....	Sucre.....	487 cents	Santo Domingo.....	Dollar.....	\$1.00
Guatemala.....	Peso.....	02- $\frac{1}{2}$ - 5 cents	Uruguay.....	Peso.....	1.034 Dollars
Haiti.....	Gourde.....	96- $\frac{1}{2}$ cents	Venezuela.....	Bolivar.....	194 cents

The Domestic or Local Banks.—The banking situation must be studied in connection with the currency systems, being inter-

dependent. In all of the republics are found banks dominated by local capitalists, sometimes entirely controlled or owned by the governments or closely identified therewith. There are numerous private banking institutions and as a general rule they have been extremely profitable with comparatively few failures. In Brazil one of the chief institutions is the Banco do Brazil, which is a semi-governmental institution, while in Bolivia the Banco de Bolivia is of much the same character. In Cuba, Costa Rica, and other republics there are numerous private banking institutions with large capital. These institutions are described in detail in reports which are listed on page 493.

Dollar Exchange.—The substitution of “dollar exchange” for the “bill on London” has been suggested as the most important step in the plan to secure proper recognition for American commerce in Latin American countries. It is universally conceded that the establishment of American banks will be of enormous help to American commerce both in their direct and indirect benefit, although business of great volume has been already established without such help. It is reasonable to assume, therefore, that the growth of American exports would be more rapid if there were more American banks in the southern republics. The plan of establishing branch banks is already being widely attempted.

Influence of Foreign Banks.—The astonishing development of European commerce in the Latin American countries has in a large measure been due to the assistance furnished to the business men of those nations by their bankers. This aid has not alone taken the form of the discounting of drafts covering shipments to Latin America but also the financing of projects of almost every conceivable nature. Through the branch banks established throughout Latin America, capital was supplied to industrial concerns, railroads, electric light and power plants, irrigation and water power projects, mines, plantations, etc. When the capital for these enterprises was furnished by the European banks the purchase of materials from their own manufacturers was naturally insisted upon.

Foreign Banks in Latin America.—As a direct result of this policy the most commanding influence in Latin American finances is the banks of England, Germany, France, Spain and Italy. Some of the other nations, notably Switzerland and Portugal, are also

represented. In addition to the foreign banks there are very important native financial institutions dominated by the capital of their nations. Thus the most important bank of South America is the Banco de La Nacion Argentina, with a capital of \$100,000,000 currency which with a reserve fund amounts to over \$122,000,000. In Brazil the largest bank has a capital of \$100,000,000.

European Domination of Finance.—Students of Latin American financial conditions will immediately be impressed with the preponderating influence of Great Britain in the settlement of international debts. By far the greatest number of drafts in settlement of purchases of American goods are drawn in pounds sterling, as are also bills of exchange drawn by American shippers on their customers.

For this reason it has long been realized that if the business interests of the United States in Latin America were to have adequate recognition, some plan would have to be found of replacing sterling exchange, recognized as the most stable instrument of international banking. The center of the world's financial operations for hundreds of years has been London and commercial transactions have invariably been calculated on the basis of the pound. Despite the desirability of furthering the use of the dollar exchange the fight will be a difficult one for the reason that it has always been more profitable for Latin Americans to purchase sterling exchange than bills on New York.

The Bill on London.—That the importance of the bill of exchange on London has not been exaggerated is demonstrated by an article which appeared in the London *Economist*. The following is a quotation therefrom:

The Bill on London is the currency of the World. It is the only currency of the world. It represents gold, but is greater than gold, and is preferred to gold because transferrable with greater rapidity, less risk and loss. It has therefore become the universal world currency which, and which alone, the producer and handler and all nations will accept as wholly satisfactory and sufficient. There is nothing like it elsewhere. No such function is performed by a bill on Paris, or Berlin or on New York.

The foreign exchange brokers of London have accepted drafts to

such an extent that these bills were always in demand. For this reason even German and French banks have established branches in London for the purpose of obtaining a share of the business. Within the last ten or fifteen years the Germans in particular have been making strenuous efforts to replace the bill on London with their own drafts, and the establishment of their branch banks in the principal Latin American cities was a part of this plan.

New York Drafts at Discount.—The sale of London bills of exchange has always proved advantageous whereas bills on New York usually brought from 1 to $1\frac{1}{2}$ per cent. less. The branches of the foreign exchange houses in New York City have been in a position to discount the drafts of American exporters on South America. The export houses of New York which have been forced to depend upon European bankers for the financing of their transactions with Latin American countries have had no difficulty in doing so, as drafts drawn against shipments have been readily accepted. The houses presenting them are usually perfectly responsible and in most instances the same may be said of the drawees.

European and American Banking Methods.—American manufacturers who analyze the financial conditions in Latin American countries readily understand why the bill on London has been accepted as almost the standard settlement of commercial transactions not only in Latin America but throughout the world. A comparison of the banking methods used in European countries with those of the United States makes this easily understood. Abroad the bill of exchange has been the usual means of settlement of business transactions. This bill, because of its general character as prime commercial paper, has always been recognized by banking institutions as highly desirable, and discounted without question. In the United States the method of financing a business has been by notes. These, it has been customary for the bank which made the loans to hold until maturity. Until the enactment of the Federal Reserve Act, which permits rediscount, they have not been made use of as have been the accepted bills of exchange in Europe.

The Direct Bill of Exchange.—Exchange transactions have been so generally misunderstood that the following examples may serve to enlighten the reader.

An importer in the United States decides to make a purchase of hides in Uruguay but is informed that the seller expects payment when the hides are shipped. The American importer objects to making payment until the hides have arrived or until he has been enabled to resell them to his own clients. The importer therefore arranges with the bank through its branch or correspondent in Uruguay to discount the Uruguayan shipper's bill of exchange at say three to four months, providing that the bill is accompanied by the bill of lading, consular invoice, insurance policy, and other documents in which the ownership of the hides is vested. In accordance with this arrangement the Uruguayan dealer makes a draft on New York City at four months sight. This draft is deposited with the bank in Montevideo, which, having received advice from the New York bank, purchases the bill at the current rate of exchange and sends it to the New York bank for acceptance. In the meantime the hides are shipped and arrive in New York City, whereupon the New York bank allows the importer to obtain the hides and deliver them to his clients who pay the importer, enabling the latter to repay the bank before the maturity of the bill of exchange. Meanwhile, the bill of exchange which still has time to run, having been drawn at four months sight, can be rediscounted with the Federal Reserve Board, making the money immediately available. Such a bill of acceptance can also be sold in the open exchange market.

The Opportunities for Dollar Exchange.—One of the direct results of the establishment of branch banks in accordance with the provisions of the recently enacted Federal Reserve Act will be the creation of a permanent market for dollar exchange. As the branch banks will be branches of powerful American institutions, they will be enabled to sell drafts in dollars on the head institution. As a result, at least one of the commissions which merchants have heretofore had to pay in the form of a collection charge on a London bank will be wiped out, and the value of the dollar in international banking will be definitely established. The money specified in the drafts is dollars and the exchange is payable only in dollars.

Furthermore, the advantage to the purchasers of such bills is a saving of interest for ten or twelve days; the commission is also more reasonable than in the past and the risk of fluctuations in

the exchange is eliminated. The influence of this method of doing business will be of phenomenal importance.

Necessity for Coöperation.—The difficulty of replacing the bill on London with the direct dollar exchange emphasizes the necessity for the coöperation of business interests generally. No opportunity should be lost to make more common the discounting of drafts and accepted bills on Latin American countries, in order that the international discount market may grow in importance.

Provisions of the Federal Reserve Law.—The Federal Reserve Board issued on November 11th, 1914, the rules concerning the definition of commercial paper that is eligible for discount. Certain of the rules which have an interest for the export and import trade are as follows:

REGULATION OF ACCEPTANCES.—Any Federal Reserve Bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than three months, and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made.

The aggregate of such notes and bills bearing the signature or indorsements of any one person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed ten per centum of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half its paid-up capital stock and surplus.

Section 19 of the Federal Reserve Act, relating to reserves, reads in part as follows:

Any Federal Reserve Bank may receive from the member banks as reserves, not exceeding one-half of each installment, eligible paper as described in Section 14 properly indorsed and acceptable to the said reserve bank.

While Section 13 provides that the Federal Reserve Board shall have the right to determine or define the character of the paper thus eligible for discount within the meaning of the act, the section referred to defines in general terms the elements which such paper must possess in order to be eligible.

Paper Offered for Discount.—All paper offered for discount under this section to any Federal Reserve Bank must conform to the following requirements:

1. It must be indorsed by a national or state bank or trust company which is a member of the Federal Reserve bank to which it is offered for rediscount.

2. Such bank must with its indorsement waive demand notice and protest.

3. Paper so offered shall be in the form of notes, drafts, or bills of exchange arising out of commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, of which the proceeds have been used or are to be used for such purposes.

4. If in the form of acceptances they must be based on transactions involving the importation or exportation of goods and must have a maturity at the time of discount of not more than at least one member bank and the total amount offered shall in no event exceed one-half the paid-up capital stock and surplus of the bank offering same.

5. The aggregate of notes and bills bearing the signatures or indorsement of any one person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 10 per cent. of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Subject to these limitations it devolves upon the Federal Reserve Board to determine or define for the several Federal Reserve banks, (1) notes, drafts and bills of exchange eligible for rediscount; (2) bank acceptances eligible for rediscount.

How the Federal Reserve Act Works.—The working of the Federal Reserve Act as applied to transactions with Latin American countries may be shown thus:

A manufacturer in St. Louis receives an order for agricultural implements to be shipped to Paraguay. The importer in the Latin

American country has arranged for credit which is made available through his own local bank with some institution, probably a bank in New York. The manufacturer of implements in St. Louis makes a draft at four or five months sight, which, after having run for ninety days, can be rediscounted with the Federal Reserve bank or sold in the open foreign-exchange market.

Financing Foreign Shipments.—While the Federal Reserve Act makes possible the rediscount of drafts on Latin American countries, other means of obtaining cash for shipments have long been used by numerous firms who have achieved success in Latin America. In this they merely followed the customs of European export houses or manufacturers and sold their bills of exchange; that is, drafts drawn at a certain number of days sight on dealers in Latin America were sold to bankers dealing in foreign exchange. In many instances such institutions maintain offices in New York and in discounting drafts drawn for a stipulated length of time they exact the indorsement of the shipper who is then advanced the cash. This is done even in the case of manufacturers who do not enjoy the best credit standing but who are able to demonstrate that they are doing a legitimate business with responsible houses in Latin America who pay the drafts at maturity.

Discounting of Foreign Drafts by Local Banks.—A matter of great practical assistance to manufacturers—which should receive the earnest attention of trade bodies—is that of encouraging local banks to discount the drafts of their members on foreign countries. This should be done without counting such a draft against the usual credit of the manufacturer, since the draft, bearing the indorsement of the shipper and accompanied by the bill of lading and other necessary papers in which the ownership of the shipment is vested, should be sufficient security for the bank. Only in rare instances are such drafts refused when proper shipping directions have been followed. Banks in interior cities should also be encouraged to establish direct relations with banks in foreign countries in order that drafts may be sent direct, minimizing the cost of collection. If this is not done, the local bank may be compelled to send the draft through a New York institution which may or may not have a foreign exchange department. If it has not, it is compelled to pass on the draft to an institution having such a department, thereby incurring extra commissions.

Effect of the Federal Reserve Act.—A direct benefit of the Federal Reserve Act will be the opening of a vast well of credit to American manufacturers, who will no longer be compelled to depend upon the London or other European exchange firms. The law directly authorizes banks to accept bills on shipments of merchandise drawn at six months' time, and when such bills are within ninety days of maturity they may be rediscounted by the Federal Reserve banks. As the capital of the National banks is almost \$1,800,000,000 and as the total amount of such bills which are subject to discount may reach this amount, the importance to the American export interests, of the new law, may be readily appreciated. Another feature of the Reserve Act is the permission to establish branches of large American banks in Latin American cities, already taken advantage of by several institutions.

Why European Banks Succeed.—As almost every European bank that has been established in Latin America has achieved success, analysis of the reasons therefor is interesting. Their prosperity may be attributed in large measure to the following:

1. Absence of detrimental competition of native banks.
2. Advantages of a system of branch banks widely scattered, each of which does business on a comparatively small capital. The main banking house is usually located in the capital of the republic with small branches throughout the country.
3. Profits on commissions, exchange, etc., resulting from negotiating the business of steamship lines, railroads, and financial interests of all sorts established by capitalists of various nationalities.
4. Intimate coöperation with banking houses of the country from which the capital of the bank is derived.
5. Profits of handling through London, Paris, and Berlin in preference to New York, drafts, bills of exchange, and letters of credit, etc.
6. Competent management by men thoroughly acquainted with the language, customs, and laws of the people or sections in which they are located, as a result of their long residence.
7. The high interest rates because of limited capital in the country.
8. Profits from the sale of the local, state, and national securities, which were underwritten by them.

9. No opportunity for profit was lost. Almost every legitimate commercial transaction was underwritten.

Banking Practices in Latin America.—Banking in the Latin American countries has been one of the most lucrative businesses that has engaged capital. Generally speaking, the banks have been well managed, and while often very liberal in their accommodations they have been exceedingly successful. The character of the loans has been such, however, that in some countries there is an insistent demand for greater supervision. Banking failures, notwithstanding, have been very infrequent and the great demand for capital has made for the highest interest rates.

Commercial Banking in General.—In the Latin American republics, banking practice differs somewhat from banking as carried on in the United States. One of the chief sources of difference is in the manner of exchange operations, due to the fact that in some of the republics the variations are so rapid that extreme care must be taken to avoid losses. The foreign banks, whose home offices are in Europe, work very closely with those offices, especially in the matter of exchange. They also make it possible for the main institution intelligently to conduct operations in the purchase of drafts on merchants located in the various Latin American countries. This is accomplished by supplying to the home office credit information, etc. The financing in connection with drafts is an important function; the making of loans to merchants and importers in general is the most profitable branch. As a bank increases in importance and capital, the sale of securities, not only of private enterprises but of governmental issues, is looked after. Other features of American and foreign banking, such as the savings departments, the placing of mortgages, and underwriting operations in general, are undertaken.

Loans and Discounts.—The custom of giving credit freely prevails generally throughout Latin America and has unquestionably contributed in part to the financial depression which became so marked during the latter part of 1912-1913. The rates of interest vary, but are often from 8 per cent. to 12 per cent. The time also varies but loans are frequently for longer periods than are granted in the United States (six and twelve months).

Other Practices.—The banks of Latin America are accustomed to permit overdrafts, charging for this privilege 8 per cent. to 10

per cent. The usual method in overdrafts is as follows: Business men who are possessed of a good standing are accustomed to open accounts in a number of banks, this varying in proportion to the volume of business, being often with as many as ten or twelve banks. A credit is accorded by each bank, the customer being permitted to overdraw from \$5,000 to \$20,000. By this means it is possible for a merchant with a much smaller capital than in the United States (provided he has a good reputation) to obtain a larger accommodation. Efforts are now being made to change this practice and to provide for more careful methods, although this business has proven very successful and excellent dividends have been declared on most bank stocks.

Government Supervision.—In almost all of the countries there is certain governmental supervision but only in some of them are the provisions for examination exacting. The result is that the paper that protects loans is often of a very questionable character.

Collection Charges.—One of the chief sources of profit of Latin American banks has been the collection of commercial documents. The charges range from $\frac{1}{8}$ of one per cent. to 1 per cent., the former usually applying to the large cities and the latter to places that are more remote. As branches of native or European banks are found in practically every commercial community where there exist opportunities for business, this is of enormous advantage to American exporters.

Why European Influence Has Waned.—The European War thoroughly demoralized financial conditions in Latin America and completed the depression which had adversely affected business generally in the Latin American countries during 1913-1914. This climax was due to the fact that the finances of these countries has been dominated by European bankers, and the extraordinary extent to which Germany alone was interested, through its great banking houses and banks, caused little less than a catastrophe. Not only were the markets of the southern countries temporarily closed and the capital investments shut off, but the exchange dropped so sharply that in many quarters the severest crises were felt.

The seriousness of the situation crystallized the sentiment which had been developing in the United States for more intimate financial relations with the southern countries. It was realized in

all quarters that if advantage was taken of the opportunity the United States might obtain rightful representation in the financial interests of the Latin American countries.

The enactment of the Federal Reserve Law provided the necessary machinery for strong financial institutions to enter that field.

The Opportunities for American Banks.—The opportunities for American banks in Latin America are based on the following reasons.

1. The need for capital to finance projects of all sorts, including industrial, agricultural, and other loans.

2. To enter the exchange market and encourage the purchase of dollar exchange.

3. To supply information regarding trade opportunities, credit reports, and information of general use in the development of business.

Particularly in the financing of large projects are the opportunities desirable, inasmuch as the domination of American interests in such financing would insure the purchase of American supplies. This policy is typical of that which has made the European nations so powerful in the business of the Latin American countries.

American Branch Banks in Latin America.—The Federal Reserve Act authorized the establishment of branch banks by National banking institutions with a capital of \$1,000,000 or more. As a result branch banks are now being established by the powerful financial interests of this country, notably the National City Bank of New York, which has opened branches in Buenos Aires, Rio de Janeiro, Santos, and Montevideo. These banks will not only enter actively into the banking business but will render much assistance which is usually only extended by commercial organizations. A commercial bureau will be maintained in connection with each branch, to investigate and study thoroughly trade opportunities in the districts of the various branches. Manufacturers desiring to do business in these countries will be advised of the possibilities for the sale of their goods and efforts will be made to provide specific aid in obtaining local or general agents. Information will also be given regarding the necessities for packing and shipping articles, after they have been properly prepared,

to meet the requirements. Other advantages will naturally follow the establishment of such branches and will aid in the scientific development of American export business.

Supplying Credit Information to American Manufacturers.—

While the American banks which are established in Latin America would naturally be more disposed to supply the information required by American manufacturers than would the banking institutions of competitive nations, nevertheless there is but very little difficulty in that respect today. Almost every bank in Latin America, no matter of what nationality, will courteously answer inquiries of American business men regarding the financial standing of merchants of their district, provided an international post-office coupon is inclosed. Furthermore, American traveling men properly provided with letters of introduction, when presenting them to the managers of such banks, will almost invariably be given frank and fair estimates of the worth of the dealers concerning whom they may make inquiry. It is, nevertheless, to the advantage of American exporters to send their documents and invoices to an American institution friendly to their interests. It is not unreasonable to expect that they will be more closely guarded than in the case of a competitive nation.

Other North American Banks in Latin America.—In addition to the branches of the National City Bank, other banks of the United States are extending their activities to Latin America. Among these are the following:

The Mercantile Bank of the Americas of New York; authorized capital, \$5,000,000; paid-in capital of \$400,000 cash and surplus \$100,000. Its field includes Central America, and Northern South America, including Venezuela, Colombia, Ecuador, and Peru. Its service, in general, is similar to that of the National City Bank.

The Continental Banking and Trust Company of Panama. This organization, representing West Virginia capitalists, has established branches in David, Bocas del Toro, and Chorillo, Panama, also in Santa Marta, Colombia.

The Commercial National Bank of Washington, D. C., has established a branch in Panama.

W. R. Grace and Company of New York have branches in many cities of South America, and in connection with their other affairs conduct a general banking business.

Future Opportunities.—It is not alone in the conduct of general mercantile banks that opportunities for North American bankers exist in Latin America. Especially promising are the possibilities of financing the numerous enterprises in the rapidly developing countries. Very profitable will undoubtedly be the sale of the bonds and stocks of Latin American enterprises in the United States. This work is logically that of American banking institutions. The greater returns from investments in the Latin American republics, when properly administered, will make it possible to obtain much capital from the United States, and to direct such investments will be the work of financiers from the United States who are trained to this end.

The American International Corporation.—As a significant feature in the extension of American financial influence to Latin America may be cited the organization of the American International Corporation. This institution was founded in the fall of 1915 with a capital of \$50,000,000. Its purpose is not alone to develop trade with the Latin American republics but to transact business of many kinds and of vast importance. This includes the construction of public works, the development of enterprises of all sorts, the acquisition and operation of railroads, steamship lines, etc. This company was organized by interests closely associated with the National City Bank and the International Banking Corporation, both of New York.

Useful Publications Concerning Banking.—A number of publications of value to the student of Latin American banking and finances will be found listed on page 465 of the Appendix.

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CHAPTER XIV

TARIFFS, CUSTOM HOUSE REGULATIONS, AND TAXES IN LATIN AMERICA

Introduction.—In considering the development of business in Latin America, one of the first essentials is an investigation of the tariff laws of the different countries in which it is sought to market a particular product. Such an investigation need only be confined to determining whether the ultimate consumer will still buy the article after it has been imported and the duty has been paid; the importer, of course, will in the meantime have paid, in addition to the duty, the freight and other charges.

Tariff Systems in Latin America.—In order to understand thoroughly the tariff systems of Latin America as they exist today, it is important to remember that they were not definitely created but have had a gradual development and growth. The duties vary, being either *ad valorem* or specific; in certain of the republics both are charged. In some of the countries the duty is calculated in silver; in others in gold. In the latter case, while the calculation is made in gold, paper money is accepted at a fixed rate. In three countries a mixed gold and paper method of payment is allowed. In most of the Latin American states the duty is required to be paid in gold or in National currency equivalent thereto.

How to Study Tariff Systems.—The importance of studying the tariff affecting a product which it is desired to export is obvious. The possibility for its sale may be absolutely nullified by the tariff as applied by one of the republics, and yet in other Latin American countries more favorable tariff legislation may make possible a large business. It is only by a very careful analysis that the manufacturer can decide whether it is possible for him to export to one or more of the republics. The analysis of the tariff situation should have as its basis the following:

1. The exact tariff charged.
2. Whether, in spite of the tariff, a sale would be possible.

3. The relation of the tariff, if specific, to packing the product, its safe arrival, handling and sale.

4. How European or other competitors overcome tariff handicaps on particular articles by packing, sales methods, advertising, etc.

The Relation of Weight to Tariff.—When a tariff schedule is based on weight and a specific weight is assessed, the question of packing becomes instantly important. In this connection the exporter must remember that the metric system is used exclusively in Latin America and the unit is the kilogram (2.2 pounds), not the hundredweight or the ton. The schedules by which the tariff is assessed are very numerous and only a thorough examination will determine the class to which goods are to be assigned. For the purpose of supplying the proper invoices and to enable the exporter to obtain the very lowest tariff rate, it is desirable that the exporter request the buyer in Latin America to supply with the order an exact memorandum of the declaration he desires. This declaration should be furnished by the importer in Spanish or Portuguese, and should be copied to the letter. This will save a great deal of trouble besides simplifying the question for the importer. In every order sheet should be left a column under which the customs description of the article imported is to be specified.

The Basis of Latin American Tariffs.—The tariffs of Latin America are not calculated exclusively from the commercial standpoint. They are generally governmental measures, to produce revenue or to afford protection. In the more rapidly developing countries, many of the important political struggles of the future will have as a basis the principle of protection, inasmuch as certain classes are benefited by this policy while other classes will oppose such laws because of their disadvantages to them. In any event, the rate of duty, even on the same article, may be different in each of the twenty republics. This applies not only to the specific rates charged but also to the classification and, particularly, to the principle of a specific or ad valorem tariff.

The Theory of Latin American Tariffs.—With the exception of a very insignificant number of articles (not to exceed five per cent. of those imported), the importations into Latin America represent goods which cannot be manufactured or are not produced

by the country into which they are imported. Even when there is a native production, the importations are usually of an entirely different grade or quality from those produced in the republic. The tariffs which are charged are almost invariably for the production of revenue and are but rarely designed to act (as in the case of the American tariff) for the protection of a home industry.

How the Tariff Laws Work.—The application of a specific tariff in Latin America results in the payment of identical duties on the same articles, even though of a wide range of quality. As a concrete instance may be cited the following:

Suppose two different articles, one worth \$200, the other \$700, were imported into the United States. The duty, if calculated on an ad valorem basis of 40 per cent. would be respectively \$80 for the first and \$280 for the second. If these should be imported into a South American republic, Chile for example, the duty would be assessed regardless of the difference in quality. The definite effect is to encourage the importation of high-priced articles, and to discourage the importation of those not so expensive.

Because of these conditions, the European manufacturer frequently is enabled to outsell his American competitor. It is not that he has an advantage in a lower tariff rate but simply that by reason of his close study of the tariff laws he makes such changes in his product that he is enabled, without altering its appearance or durability, to place it in a lower category and obtain the benefits of the new schedule into which it then naturally falls. The use of ornamentation upon an article, a special trimming, or an erroneous description frequently compels the customs house authorities to apply a schedule calling for a higher rate.

Proper Classification Indispensable.—It is not alone important that the manufacturer study the intricacies of the proper declaration of materials, but he must also realize the necessity for accuracy in description. He should make every effort to ascertain by what name an article should be termed in order to place it in the most favorable classification that it may obtain the lowest possible rate of duty. This can be done in two ways:

1. By insisting that traveling or local representatives obtain definite instructions from the client.

2. When business is done, direct that the merchant indicate exactly how a particular article is to be described on the invoice.

When an article, if trimmed, pays a higher rate of duty than if untrimmed or when adorned with certain decorative materials, the manufacturer should ascertain whether he may not ship the articles separately; that is, whether he may pack them in different packages and so describe them on his invoice. In the matter of declarations for tariff purposes, the necessity for painstaking care and attention to detail are of transcendent importance.

The Interpretation of Descriptions.—Upon the proper description and designation of goods depends the duty assessed, and the use for which certain merchandise is intended should therefore be specified. As a definite example may be cited the case of machinery. In some countries, where this is for use in mining it is entirely free of duty, but if defined as ordinary machinery would be subject to duty.

The Meaning of Surtaxes and Exemptions.—In addition to the tariffs which affect specific rates according to weight or value in customs duties, a number of the republics exact a surtax, varying in percentage, the proceeds of which are used for definite purposes. An example is a tax to overcome loss in revenue, another is a fund to assist the development of the country. Certain articles are exempted both from the tariffs and surtaxes, or, in other instances, from the latter only. While the subject at first may seem complex, the application of simple principles will save the manufacturer much trouble, particularly if a definite declaration is asked of the customer.

The Value of a Preferential Tariff.—In some countries, notably in the Republic of Brazil, there exists a preferential tariff on American products which enables the American manufacturer to enjoy advantages over European competitors. In Brazil the list of articles on which there is a preferential tariff of 20 per cent. includes the following items:

Paints and inks, except writing fluid, and varnishes; wheat, flour, pianos, condensed milk, scales, windmills, refrigerators, watches, clocks, manufactures of rubber, and typewriters. Manufacturers of these articles will be enabled, because of the rebate, to obtain a considerable volume of business if proper efforts are made.

Certain Articles Exempt from Duties.—Many Americans are unaware of the fact that in certain of the Latin American countries there is no duty upon many manufactures. This is particularly the case in Chile, where important elements which make for industrial development, such as tools, machinery, fuel and other materials, are allowed to enter without payment of any duty. In other countries the same policy prevails. By ascertaining in which of the countries such benefits may be derived the alert manufacturer will greatly profit.

The Equality of the Tariff as Affecting Imports.—Another factor which is often overlooked and which is a basic principle is that the American manufacturer is on an equality with the manufacturers of the entire world. Therefore, even though a tariff is changed or extremely high, he is at no disadvantage as compared with the manufacturers of other countries. As the tariff laws are interpreted differently in the case of each country, manufacturers should consider this fact before having goods packed.

Principles of Tariff Regulations in Latin America.—The basis on which the duties are assessed in the various Latin American countries is outlined in the following paragraphs, and naturally only the general laws can be stated and each shipment must be considered individually:

Argentina.—Most articles mentioned in the tariff are dutiable on legal weight; that is, on gross weight with a reduction for tare, fixed in accordance with the nature of the packing. The shipment of merchandise of different classes in one case or package is to be avoided, as the customs authorities may apply to the entire shipment the duty of the highest taxed article included in the shipment.

Bolivia.—There is no general rule for the application of the tariff to articles dutiable by weight, some of them being dutiable on net weight, some on gross weight, and some on the weight of the merchandise together with that of the immediate packing, such as a cardboard box or paper, but exclusive of barrels, wooden or tin boxes, or any material serving as a covering for the outside containers. There is no penalty for mixed packing, provided such packing is not intended as a means to defraud the customs.

Brazil.—Of the articles dutiable by weight in Brazil, some pay duty on gross weight, some on legal net weight, and some on

actual net weight. By gross weight is meant the weight of the goods together with that of the packing, except rough wooden containers. By legal net weight is meant the gross weight less the tare allowances indicated in the tariff for different merchandise and containers. By actual net weight is meant the weight of the merchandise without any packing. When goods dutiable on legal net weight and actual net weight are imported in the same package, both pay duty on actual net weight. The same rule applies when the package contains only merchandise dutiable on net weight, but with different tare allowances. When goods subject to different duties, but all dutiable on gross weight, are imported in the same package, the weight of the packing is distributed proportionally among the different kinds of merchandise.

Chile.—Merchandise subject to duty by weight may be dutiable on net weight, gross weight, weight including packing, or weight including containers. There are so many definitions and rules imposed for the application of the customs tariff that a study of each is required.

Colombia.—Duty is levied on gross weight. Merchandise subject to different rates of duty may be packed in the same container, provided the gross and net weight of each kind of merchandise is indicated. If the weight is not indicated separately, the rate of the highest taxed article is applied to the entire shipment.

Costa Rica.—Duty is levied on gross weight. In the case of goods subject to different rates of duty, packed in the same container, the net weight of each kind of merchandise must be indicated, so that the weight of the packing may be distributed proportionally among the different classes of merchandise. In the absence of such information the duty on the highest taxed article in the shipment is applied to the entire contents.

Cuba.—Articles are dutiable on gross weight, actual net weight, or legal weight, as indicated in the tariff for each item. The legal net weight is calculated in accordance with a schedule of tare allowances annexed to the tariff.

Dominican Republic.—Under the Dominican customs rules merchandise is dutiable either on gross or net weight. No duty is collected on the tare except in the case of certain specific packings

which are subject to tariff. There are numerous rules which should be consulted by the exporter. ✓

Ecuador.—Merchandise imported into Ecuador is dutiable either on gross or net weight. No penalty is imposed for packing in the same container merchandise subject to different rates of duty. In such cases it is required that the shipper state in the consular invoice the net weight of each kind of merchandise, as well as the gross weight of the entire package.

Guatemala.—The duty on merchandise may be levied on net weight, on weight including packing, except outer containers, or on gross weight, according to the provisions of the customs tariff. In the case of merchandise dutiable on weight including packing, imported loose in an outer container, the weight of the latter is not included in the dutiable weight. When merchandise dutiable on weight including packing is imported in the same receptacle with merchandise dutiable on gross weight, the duty on the latter merchandise is levied on the weight including packing, with the addition of one-fourth thereof, to compensate for the outer container which is not included in weighing the merchandise. Cloth used for wrapping merchandise must be declared for duty, only oilcloth and tarpaulin being considered as part of the packing. A fine is imposed by the customs authorities for packing in the same receptacle merchandise subject to different rates of duty.

Haiti.—Goods subject to duty by weight are dutiable on the net weight. No fine is imposed for packing in one receptacle articles subject to different rates of duty, provided that the merchandise is properly declared.

Honduras.—All merchandise subject to duty is dutiable on gross weight. No fine is imposed for packing in one receptacle merchandise subject to different duties.

Mexico.—The duty on merchandise dutiable by weight is levied on net, legal, or gross weight, according to the provisions of the tariff. No penalty is imposed for mixed packing, if the merchandise is declared properly. Mexico has its own interpretation of legal and gross weights which should be studied by the shipper. It is important to declare the weights of different items packed in the same case.

Nicaragua.—All duties are levied on gross weight. It is not

permitted to pack more than ten kinds of merchandise in one receptacle. When different kinds of merchandise are packed in one container the weight thereof should be carefully specified.

Panama.—Practically all imports into Panama are dutiable ad valorem, and the question of packing is therefore of little importance.

Paraguay.—The rules given for Argentina apply also to Paraguay.

Peru.—In the case of articles dutiable by weight, the basis for levying duty may be net weight, gross weight, or legal weight. The net weight is obtained by deducting from the gross weight the tare allowance indicated in the table of tares. Legal weight includes the weight of the merchandise with that of its packing, but not including the outer container. When merchandise dutiable on gross weight is imported in the same container with merchandise dutiable on a different basis or subject to different rates of duty, or with samples without value, 25 per cent. is to be added to the weight of such merchandise weighed with its immediate packing and its share of the straw, shavings, or similar packing material. In the case of pianos and beds 60 per cent. is to be added. Receptacles dutiable at a higher rate than the contents, as well as those containing free goods, are dutiable separately.

Salvador.—The duty on imports into Salvador is levied on gross weight, and there is apparently no objection to mixed packing, provided that the merchandise is properly declared.

Uruguay.—The basis for levying duty on goods dutiable by weight varies, some articles being dutiable on gross weight, some on legal net weight, while in some cases the weight of the inner receptacle is included in the dutiable weight. There is no provision in the tariff regarding a penalty for mixed packing.

Venezuela.—The duty on imports into Venezuela is levied on gross weight. When articles subject to different rates of duty are imported in the same packing, the rate of the highest taxed article is applied to the entire shipment.

How Tariff Information Is Obtained.—Many manufacturers who are sincerely desirous of aiding their customers and wish to obtain information relative to tariff laws in the Latin American republics are unaware of the means of getting the required information.

Membership in certain commercial and exporting organizations

entitles the member to tariff information. Letters are often addressed to the consular officers of the United States, but this method is the cause of much delay and should be avoided. Export journals are also accustomed to furnish information when it is asked.

The Work of the Bureau of Foreign and Domestic Commerce.—

One of the features of the Bureau of Foreign and Domestic Commerce has been the work of the Division of Foreign Tariffs, from which information may be obtained very quickly regarding the following subjects: foreign customs duties, customs regulations; internal revenue laws in foreign countries; regulations for commercial travelers; requirements of foreign countries for consular invoices, law relating to trade-marks, laws relative to standards of purity (pure food laws), etc.

When information concerning these subjects is desired, the Bureau will be found valuable. Application should be made through the local offices, which are listed on page 547 of the Appendix.

How to Insure Promptness.—Manufacturers within the districts of the branch office of the Bureau of Foreign and Domestic Commerce should address their inquiries regarding tariff information to such offices. If the information is not on hand it will be obtained more quickly than the manufacturer can get it, by addressing American Consuls who may already have supplied the information that is solicited.

Other Sources of Information.—Much information relative to the tariffs of Latin America is contained in the publication *Packing for Export*, Miscellaneous Series, Government Printing Office. The data contained in that publication have particular reference to tariffs as affecting packing. Another useful volume is Kelly's "Customs Tariffs of the World." These will be found listed on page 464.

How Requests for Information Should Be Made.—The customs and tariffs laws, in addition to the rules and regulations applying thereto, are subject to so many changes that where dependable information is desired, frequent inquiries are essential. In order to serve his own best interests the manufacturer should be extremely careful to give the fullest possible details relating to the inquiry he makes. These should be as follows: the particular country involved; the nature of the article, that is, its component materials, its trimmings or adornments, if any; the nature and use

of the product; the character of the packing employed, etc. The more detailed the description, the more complete and reliable the information to be gotten.

The Publications of the Bureau of Foreign and Domestic Commerce.—In the course of the work of the Bureau of Foreign and Domestic Commerce, many valuable publications have been issued and are available. Tariffs for the more important commercial countries have been published and duties for a particular class of articles, either in a selected list of foreign countries or for all foreign countries, are also to be had. The Bureau has constantly in course of preparation publications showing the rates and duties on products of many different characters and descriptions. In the "Daily Commerce Reports," under the heading of "Foreign Tariffs," there are reported proposed changes in the tariff laws, and other legislations of foreign countries.

Information Obtainable from Foreign Consuls.—As the preparation of papers covering shipments for export is highly technical, and may involve serious consequences in the payment of duties, etc., American manufacturers, when in doubt, should obtain fullest information from the local Consul of the country to which the shipment is to be made or from the Consulate General in New York City. The list of foreign consulates will be found on page 522 of the Appendix.

Other Means of Obtaining Information.—The underlying principles of foreign tariffs are also found in the publication "Exporters' Encyclopedia." This information is printed at the beginning of each chapter relating to the individual countries.

Custom House Regulations.—The custom house regulations in Latin American republics have been the subject of much criticism on the part of American exporters who have taken exception to the strictness with which they are enforced. To many shippers they seem far too exacting, but those who have had business with the American custom houses realize that the conditions imposed by customs officials in Latin America are often far less difficult to comply with than those which obtain in the custom houses of the United States. Those American houses who transact both an import and export business rarely complain in this particular.

Need for Compliance with Regulations.—One of the factors which contribute to the rapid development of a business with Latin

America is the observance of custom house regulations in the different countries, not alone in regard to the packing of the goods and their declaration but especially in the matter of documents which are exacted. These are different in each of the republics, but there are certain general principles which govern their making. These include: absolute accuracy in declarations; promptness in supplying the necessary papers; a willingness to give all the information required; absolute coöperation with customs officials. If a proper spirit is manifested in this regard, there is very little likelihood of difficulty. The preparation of documents covering export shipments can be greatly facilitated by consulting technical works devoted to this subject issued annually. Among these may be mentioned the "Exporters' Encyclopedia."

The Working of the Drawback Law.—Many manufacturers who export to Latin America do not know that they may find a source of considerable profit in the drawback law. "Drawback" simply means the obtaining of the rebate of the tariff duties paid on all imported material used in the manufacture of goods which are exported. The law provides that upon the exportation of articles manufactured or produced in the United States by the use of imported merchandise or materials on which customs duties have been paid, the amount of such duties less one per cent. shall be refunded as drawback. There are certain qualifying clauses but the principle of the law is embodied in the preceding sentence.

How to Obtain the Drawback.—All that is necessary in order to obtain the drawback is for the manufacturer definitely to trace the origin of the various raw materials used in the manufacture of his product, and to prove that they have been imported. There are a number of firms who make a specialty of collecting drawbacks and to these should be referred the question of details. The names of those best qualified to investigate drawbacks and to look after the collection may be obtained from business organizations or from the New York City directory.

CHAPTER XV

CATALOGS, PRICE LISTS, QUOTATIONS, DISCOUNTS. STANDARDS OF MEASURE AND VALUE

Introduction.—So much has been written on the subject of the right and wrong sort of catalogs suitable to Latin America that further discussion seems useless, yet the catalog will in the future have such an important bearing on the business with Latin America that this work would be incomplete without some observations regarding its essentials.

The Use of Catalogs.—Despite the fact that the use of the catalog as applied to Latin American business is often discouraged, it occupies a very important place in trade development. It may be used in any of the following ways:

1. To create prospects in a virgin territory either for direct relations or for the purpose of supplying leads to local or general agents.
2. To precede the visit of the traveling salesman whose work is made easier by the advance distribution of a good catalog among the proper merchants.
3. To serve as a means of direct trade relations between the manufacturer and the Latin American buyer in those places where business by means of salesmen or agents is not practicable.
4. To be used as a medium to obtain business through export houses and for the development of a market not previously entered before salesmen are sent.
5. To aid dealers in placing duplicate orders after initial purchases have been made.

This is the most effective use, especially if catalogs are properly compiled.

Some Latin Americans Are Disinclined to Use Catalogs.—Many American houses are responsible for the disinclination of Latin American dealers to use catalogs more freely. In innumerable instances their experiences in ordering from catalogs have been

very unsatisfactory. Because of erroneous or misleading descriptions, as well as outright substitutions, merchandise has often proved undesirable, and despite the fact that heavy outlays had been made for duty and freight, the American shipper has failed to make reparation when called to account.

A House Judged by Its Catalog.—When a catalog is decided upon, the importance of adequate publication cannot be too strongly emphasized. The Latin American, with his keen appreciation of business methods, bases his opinion of a manufacturer upon the appearance of his printed matter and particularly of his catalog. If the latter is compiled with great care, he will be much more easily influenced to place an order. It is for this reason that the appearance of the book should be attractive and substantial enough to win the confidence of the Latin American merchant.

The Use of Spanish, Portuguese, or French.—Obviously a catalog for circulation in Latin America should be in the language of the country to which it is sent. With the exception of Haiti where French is spoken, and Brazil where Portuguese is the language of the people, Spanish should be used in the preparation of catalogs mailed to the Latin American republics. The average American manufacturer would not be inclined to buy of a French or German manufacturer from whom he received a catalog in French or German, containing not only technical terms with which he was absolutely unfamiliar but also language which he did not understand, a system of measurements which he did not use, and quotations in money which was absolutely foreign to him. This is cited as an example of the effect of the average American catalog on a Latin American buyer, and is one of the reasons why catalogs so compiled are extremely inefficient.

What a Catalog Should Contain.—The manufacturer who desires to build a business with Latin America and is conscientious in supplying details should be certain that his quotations are perfectly clear on the following basic points, in order that the Latin American merchant may not have to waste time in correspondence or indulge in guesswork:

1. Exact prices in American gold. These should be accompanied by the equivalents in the money of the country to which the catalog is sent. If in a currency subject to fluctuation, the rate of exchange at which the calculation is made should be stated.

2. Simple discounts, preferably from a general price list issued separately; one to wholesalers, one to retailers.

3. If the quotation is made free on board vessel, it should be stated at what port the quotation is effective.

4. If quotation is made f.o.b. factory, it should be accompanied by an exact memorandum showing cost of freight from interior point to port, cartage, lighterage charge (if any), and other expenses to which the shipment may be subjected.

5. All calculations relating to measurements, dimensions, weight, and values should be reduced to the metric system. This is a very simple matter and requires only slight effort. It is particularly desirable because of the confusion resulting from the various conflicting standards. The simplicity of the metric system and its employment in all Latin American countries makes this essential.

6. The terms on which goods are offered should be given, and if offered on open account, details regarding the manner and date of payment should be embodied in a letter sent separately.

7. Prices should preferably include charges for packing. If an extra charge for this item is essential, it should be stated in detail.

8. It is desirable that quotations, particularly of commodities whereon freight charges are a serious consideration, be made c.i.f. port of entry in the Latin American country. This applies particularly to specific quotations asked on certain articles.

9. The exact shipping weights, including the weight of the article itself, plus packing, must be stated.

10. Weights should be given both net and boxed. The cubic measurements of the cases should also be included.

11. Each article should be furnished with a code name. This will save time and money when the cable or telegraph is used for orders.

12. The merchant should be assured that packing and shipping directions will be followed to the letter.

13. The catalog should have a proper index. This should be in Spanish with the English equivalents to permit easy and quick reference.

Full information regarding the means of obtaining weights, measures, and values for Latin America will be found on page 527.

The Use and Value of a Supplement.—Many manufacturers who contemplate doing business with Latin America find that at the outset a translation of their entire catalog would involve too great an expense. This difficulty may easily be overcome and good results achieved by the use of a key or supplement. The number of articles described may be limited or extended as circumstances dictate. The manufacturer by a preliminary study can determine upon the particular items among his products which will prove most salable, and confine his supplement or catalog thereto. The supplement may even be in skeleton form with limited description of the principal features of the catalog given in Spanish and accompanied by the prices.

Catalog Making a Science.—The development of export trade has become highly specialized and in no department is it more marked than in that of obtaining business by means of the catalog. No matter whether a supplement or an entire catalog is translated it is a wise policy to employ only translators who know their business perfectly. For instance, in the case of technical goods, only men with technical experience should be engaged. If a catalog of electrical specialties is desired it is highly important that a man absolutely familiar with trade names in the electrical field be engaged to do the work. This should not be left to a translator who perhaps is familiar only with the dry goods or other business entirely distinct from the electrical field.

Features to Emphasize.—The same general principles govern the making of catalogs for Latin America as in the United States. The catalog should not contain merely statements of price and technical description. It is important that the strongest, most convincing detailed selling arguments shall be used. As the use of articles listed in a catalog varies so greatly, the selling points should be those which are pertinent to the different countries.

The following are concrete examples:

If the manufacturer is able to supply a product in the sale of which the weight and transportation are important factors, they should be dwelt upon. If the packing is different from the ordinary (for instance, adapted to peculiar tropical conditions), this advantage should be emphasized. These are features which will be of interest to the prospective buyer and must be brought to his attention forcefully.

Necessity for Stating All Advantages.—A catalog, to be a sales producer, should fulfill the functions of a salesman. It should state clearly and logically the advantages and selling features of the article illustrated. The care with which this feature is worked out will determine its success or failure. The greatest stress should be laid on the quality, efficiency, or individuality of the goods, and not upon cost. This is so essential because in almost every instance articles imported into Latin America are used by the classes that can afford to pay for them, and foreign business can far more easily be established on the basis of quality than on mere cheapness.

How to Feature Selling Points.—In the preparation of catalogs sent to Latin America it will be found profitable to insist upon the very highest sales efficiency in order to stimulate the importer's interest. It is necessary to state in simple but convincing terms the "talking" points of the article illustrated, that the prospective buyer may visualize it and understand thoroughly its superiority, durability, workings, or other features. It is desirable to give such a complete, accurate description that there may be no need for farther inquiry and correspondence, which is time consuming and expensive.

Letters That Accompany Catalogs.—No catalog should be mailed to Latin America without an accompanying letter and it should be planned that both arrive simultaneously. If properly constructed the letter will gain the attention of the recipient and insure the opening of the catalog. Many of the features embodied in the successful domestic sales letters, if skillfully adapted to the Latin American viewpoint, will prove even more successful in that field than at home. However, it is absolutely essential to include all details necessary to a clear understanding of the proposition.

Avoidance of Misleading Terms.—It is not alone upon the general preparation of a catalog that its success is based, but it is of equal importance that it be easily understood. For this reason the use of American trade terms or business expressions should be avoided. The compiler should have in mind the attitude of the Latin American, and the greater the simplicity and the more forceful the manner in which the strong selling points are emphasized, the greater will be the results achieved. Enough care should be taken to include every bit of detailed information that will be

of value. Generalities should be avoided. Conscientiousness in the preparation of a catalog will pay for itself many times over.

The Importance of Details in Catalogs.—With every article should be stated the exact quality, size, colors, finish, capacity, and weight of commodities that are packed in a case or package. The weights of the packing should also be stated in order that a merchant may make his calculations of duty intelligently. If extra charges of any nature are to be made, they should also be mentioned.

The Use of the Metric System.—Since the standard of measurement and value in Latin America is the metric system, the English or American system makes it extremely difficult for the Latin American business man to understand quotations unless made in the metric system. This is fully outlined in a pamphlet listed on page 493 of the Appendix.

Reasonable Prices Advisable.—Many business men look upon Latin American trade as a means to larger profits than the domestic market affords. The law of supply and demand naturally governs transactions with the southern republics, but the principle of a fair profit in order to insure the very largest consumption possible should influence the making of prices. Under all conditions the exporter must consider competition, not only American but European, and must remember that the Latin Americans are excellent judges of values.

Other Essentials in Quoting Prices.—Prices should invariably be quoted to appear most attractive. Even when the manufacturer adds an additional percentage of profit to his foreign prices, he should endeavor to make his quotations seem the most reasonable possible. Only by so doing can he enlist the interest of the Latin American buyer. His European competitors understand these details and it is frequently this competition which is the most difficult to meet.

Meaning of Currency Signs.—In correspondence with dealers in Latin America, American manufacturers who use the dollar sign should specify that it is the American dollar sign which is meant. The dollar sign as used by Americans, particularly those who make quotations in foreign money, is sometimes misleading. The quotation \$4.00, for instance, sent to a Peruvian merchant, may, unless otherwise specified, be interpreted by him to mean four

soles, just one-half the value of five American dollars. Where quotations are in gold, the fact should be so stated, and followed by the word "American," *Oro Americano*. If at all possible, quotations should be made in the currency of the country wherein trade is desired, but if this is not feasible the aforementioned system should be followed.

The Importance of Durable Catalogs.—Catalogs should be thoroughly practical for continued use and reference and constructed to withstand the ravages of varying climates. Particularly is this so of catalogs to be circulated in the tropics, which should be strong durable books printed in large clear-faced type on a good quality of paper. The use of fancy designs and very faint ink should be avoided because of the difficulty of reading them in the glaring sun.

The Value of a Convenient Catalog.—In order to be most useful, catalogs should be of a size which will make them available for reference and filing. Odd shapes, lengths, and dimensions should be discouraged, as the catalog most likely to be preserved is one that can be easily filed. Whenever possible catalogs should be bound in cloth. The back should be sufficiently stiff so that when stood on edge it may be kept upright.

The Value of Good Illustrations.—As the chief means of giving the fullest information regarding a manufacturer's products is the illustrations, the necessity for proper display is apparent. Only a shortsighted policy would influence the manufacturer to use cheap or inadequate cuts, since the expense of printing a page is equally great no matter what the efficiency of the illustrations. The most perfect illustrations which show the article quoted to the best advantage should be used. This will, in the long run, prove by far the most successful policy, for notwithstanding a heavier initial outlay the results will easily compensate therefor.

The Importance of the Wrapper.—No matter how carefully a catalog is compiled and how tastefully it is printed, unless it is inclosed in a proper wrapper to withstand the rough usage to which it is subjected in the mails, it is likely to fail in its purpose. It is for this reason that the outer wrapper or covering should be of the most substantial sort. A return card, printed in Spanish, providing for the return to the sender in case of nondelivery, should invariably be printed on the envelope. When valuable,

cloth-covered catalogs are dispatched to interior points which are difficult of access, the use of oilcloth wrapping is advisable. This will serve to protect the book against possible damage from rains, or immersions in water when streams are forded.

Why Prices and Terms Should not Be Printed.—It is not alone in the advertising matter but in the catalogs also that retail prices and terms should not be stated. Particularly should the retail prices common in the United States never be placed on the goods themselves. The reason for this is apparent when it is considered that the tariffs are high and the freight likewise an extremely important item, especially for interior points. This makes the prices of articles to the consumer vary greatly, not alone in the different republics but even within one country. As an instance may be cited Brazil, with a coast line of 5000 miles, and interior places three and four weeks distant from Rio de Janeiro. The terms should be stated only in individual communications to the importers.

Prices and Discounts Indispensable to Consuls.—Many American manufacturers find it desirable to send their catalogs and printed matter to the American Consuls in the Latin American countries. This has sometimes led to business, and it at least serves to make it possible for the Consul to know of the existence of a manufacturer, should it come to his knowledge that the particular class of manufacture is required. When catalogs for this purpose are forwarded, they should invariably be accompanied by a letter in which the Consul is given full information regarding the exact net prices or discounts. Otherwise it may happen that at least two months' time may elapse before a definite quotation can be made.

Necessity for Maintaining Prices and Discounts.—It is extremely important, in trading with Latin American dealers and in cataloging goods, to fix prices which may be maintained for a considerable length of time. While it is desirable in many instances to furnish separate price sheets, if conditions necessitate this they should be so fastened in the back or front of the catalog that they may not be easily lost. Because of the fact that price lists are misplaced so frequently, many merchants prefer to give in the catalog a price which is subject at the most to two discounts—one to the wholesaler, and one to the retailer.

Separate Price Sheets Advisable.—Because of the numerous

classes of dealers in the Latin American countries it is advisable that prices and discounts be printed separately. To insure the minimum risk and least possible embarrassment to the recipient, such sheets should be mailed apart from the catalog and care should be taken to provide for several profits to different classes of dealers, importers, or distributors, local agents, etc. Manufacturers who must meet this condition at home will have no difficulty in doing so in the Latin American republics.

Other Essentials in Quoting Prices.—If it is desired to expedite trade with Latin America, prices should be quoted f.o.b. (free on board ship). This is particularly important on some commodities, inasmuch as the Latin American dealer has no means of knowing the cost of freight from the point of origin in the interior to the port of embarkation, the cartage to the ship, the lighterage, etc. In some instances merchandise is loaded direct from freight car to vessel, and in other instances lighterage charge must be paid. The manufacturer who simplifies calculations for his clients will find it possible to increase his business materially.

Precautions Necessary in Quoting Prices and Discounts.—It is very important, when quoting prices and discounts to inquirers, that they be given only to bona fide prospective buyers. If a catalog is used, the discounts should be quoted in a confidential letter with instructions that they be used with the utmost reserve. No catalogs should be mailed to merchants who make inquiries without very definite prices and discount quotations, as otherwise they are utterly useless.

Offers with Time Limits not Desired.—Many American manufacturers fail to take into consideration the time required for correspondence to reach their Latin American customers, and for the latter to consider the advantages of a quotation. For this reason, when a time limit is placed in circulars which contain special offers, the time should be calculated very carefully with reference to the places to which it is sent.

Simple Discounts Preferable.—One of the complaints most frequently made against American manufacturers is the use of an involved system of discounts. The Latin American dealer, because of the necessity of making calculations for freight, duty, surtaxes, and agent's charges incidental to the importation of goods, objects to receiving a quotation based on a discount of 30, 25, 10, 10 and

5, or similar discounts. In making a quotation, the greatest simplicity should be encouraged, and the dealer should not be expected to accustom himself to the intricate American system of arriving at net prices.

The English and other shippers to Latin America generally have not more than two discounts, and usually only one. When the same catalog is to be used for circulation among wholesalers, retailers, and consumers, the utmost care should be taken in the preparation of the price list. This should be so arranged that one discount from the price will indicate the cost to the wholesaler, another the discount to the retailer, and the third, or list price, the price to the consumer.

Need for Care in Preparing Price Lists.—The annoyance caused by multiplicity of discounts is increased by the differences in quotation from a standard set of prices on the same class of merchandise by two or more manufacturers. This is particularly exasperating to dealers who receive a quotation at a certain time and ascertain upon forwarding an order, only a short time thereafter, that an entirely new combination of discounts has superseded the former one.

The Use of Codes in Catalogs.—The importers of Latin America will be greatly aided by the publication in the manufacturer's catalog of a simple code which not only refers to items described but likewise provides a series of word combinations which make easy the placing of orders or duplicate orders. Such combinations can be worked out by code experts, or code words relating to items illustrated can be easily used in connection with the more prominent cable codes, which are very voluminous.

Proper Distribution of Catalogs.—It is not alone in the careful compilation of a catalog that its success consists. This will be dependent largely upon its distribution. No matter how carefully compiled and translated, nor how beautifully illustrated, the value of a book may be lost if it fails to reach the proper merchants. The distribution of a catalog, particularly if heavy and expensive, should be considered with the greatest caution and care.

In many cases catalogs have been sent at the mere request of a consumer to whom were given the quotations that should only have been allowed to the dealer. Every inquiry should be carefully weighed and catalogs should never be sent indiscriminately.

The rules outlined in Chapter IX, relating to mailing, should be absolutely adhered to.

The Distribution of Technical Catalogs.—Manufacturers of technical machinery and apparatus will find it advantageous to place their catalogs, booklets, and advertising matter in the hands of practical engineers and technical experts of various lines.

Organizations of such experts exist in the more important cities, and to them should be sent the matter, as heretofore suggested. An association of this character is the Institute of Engineers of Chile, whose address is Instituto de Ingenieros de Chile, Santiago, Chile. Another is the Society of Mining Engineers, Sociedad Nacional de Minería, also at Santiago. Names of similar organizations may be obtained from the Department of Foreign and Domestic Commerce.

Duty Exacted on Catalogs.—In some of the Latin American countries, for instance Brazil, catalogs in bulk that are destined exclusively for advertising purposes and are imported for free distribution are compelled to pay a duty of $3\frac{1}{2}$ cents per pound. When catalogs are sent singly by mail they are exempted from this, unless the number sent by the consignor in any one mail is sufficient to be considered a shipment in commercial quantities. For that reason a mailing should be distributed over a sufficient length of time to insure its carriage on separate steamships.

Why Catalogs Are Often Detained.—Lithographed advertising matter is likewise subject to duty when weighing more than four ounces. Catalogs for Brazil should be printed in as small a form as possible, preferably in separate sections rather than in one bulky volume. On the outside label they should be marked *Catalogo sem valor*.

Proper Quotations Aid Sales.—The development of business with Latin America can be greatly aided by painstaking attention to details. In no other phase of export business is this more essential than in the matter of price quotations. This emphasizes the necessity for a thorough understanding of the terms used. The technical abbreviations are the following: c.i.f., f.o.b., f.a.s., c.i.f.&c.

Much correspondence and time can be saved if quotations are made c.i.f. destination, inasmuch as merchants are not inclined to waste their time with propositions which they cannot understand and which do not show them some particular advantage.

In many places it is very difficult for importers to obtain information regarding the cost of freight, while on the other hand, it is easy for American manufacturers to make quotations for merchandise "laid down." Where freight is an important factor and prices are only quoted f.o.b. at an interior American point, they are given scant consideration.

The Meaning of Quotations Made C.I.F.—The generally accepted definition of the abbreviation c.i.f. in the Latin American trade is, "cost, insurance and freight." When a price is quoted with this abbreviation it is understood that the price includes the value of the product plus the freight to the place stated and plus the cost of insuring the goods against marine risk. The necessity for obtaining this quotation is apparent for the reason that marine insurance covers the loss of goods while on shipboard, inasmuch as the steamship lines, when issuing a bill of lading, disclaim thereupon any liability for loss of the property. This is in contradistinction to the responsibility of a railroad company which is liable except for "acts of God." Thus in c.i.f. quotations the shipper pays the charges or freight and insurance but assumes no other responsibility.

The Desirability of C.I.F. Quotations.—The advantages of c.i.f. quotations are obvious, as the Latin American exporter is at a loss to determine freight charges, particularly the cost of transportation from an inland port to the port of embarkation. In making these quotations there should be taken into account the minimum rates of steamship companies, which are excessive for small shipments. The manufacturer must also take into consideration the gross weight of the article on which he quotes, besides the cubic measurements. The former determines the railroad freight, the latter the ocean freight. It is desirable in quoting c.i.f. that the manufacturer ascertain the unit that is covered by the minimum bill of lading issued by the steamship company. By this means the cost of an article to the dealer is easily arrived at. When a quotation is made c.i.f. port of entry, the manufacturer should be careful to state whether the quotation includes the duty. If he is unfamiliar with the tariff assessed and if he wishes to be perfectly safe, his quotation should read: "Cost of goods, c.i.f., port, duty for account of purchaser."

It should always be made clear whether the quotation is made

"delivered at a given port," or whether this is to be interpreted "c.i.f. to the port." In this respect nothing should be left to the imagination, as misunderstandings easily arise and losses are often placed upon the shipper.

The quotation c.i.f. and e. means "and exchange," being used when the shipper assumes the expense of the exchange.

The Meaning of F.O.B. Quotations.—In this quotation the shipper pays all charges and is responsible until delivery of the shipment has been made. In quoting to a Latin American dealer f.o.b. (freight on board), the manufacturer should be careful to state whether the price is based f.o.b. freight cars at the interior point of origin or f.o.b. steamship at port of embarkation. When a quotation is made f.o.b. interior point, the merchant should also be advised of the exact cost of freight from factory to port, the charges for getting it on board the steamer, including the transfer, lighterage, etc.

F.o.b. quotations are frequently desired by Latin American importers who have their own agents in the port, generally New York City, and are fully aware of the charges that will be made for handling a shipment. In order that the Latin American buyer shall have every advantage, the manufacturer should seek to obtain from various sources (freight forwarders, foreign freight agents of railroad companies, etc.) competitive quotations, and furnish not only quotations f.o.b. port but also f.o.b. steamer. This applies with equal force to quotations made c.i.f. port of entry in Latin America.

The F.O.B. Quotations Via New York.—In shipping goods to Latin American countries by way of seaboard in the United States, the rates quoted by railroad companies include the placing of the merchandise on board the steamship. They also include the removal of freight from the cars to the steamship itself and apply to practically all classes of freight except certain tonnage which can only be lifted by cranes and for which specific charge is made.

The same custom is followed in New York City in the case of carload shipments which come from interior points, and no charge is made for the cost of carrying them from the railroad stations to the steamship in lighters.

The complaints made by many Latin American buyers concerning the items specified on invoices received from the manufacturers

for preparation of bills of lading, drayage or cartage, handling, cost of ferrying, expense of lighterage, etc., can be obviated if the shipper in the interior will give personal attention to the forwarding of shipments in less than carload lots. The advantage of a reliable forwarding agent, with whom definite arrangements can be made, here again is apparent.

The Meaning of F.A.S. Quotations.—The quotation “freight along side” is rather uncommon and requested very rarely. It is sometimes asked by Latin American importers, particularly those dealing in very bulky or heavy tonnage, who find it advantageous to have their own representative in New York to look after the loading. Certain classes of freight require special machinery for the purpose of getting them aboard steamship. The machinery is usually a large crane and when packages weighing in excess of two to five tons are raised, a charge for this service is made in addition to the railroad rate. When a quotation is made f.a.s. it is understood that the Latin American buyer will pay this charge, which in contradistinction to a quotation f.o.b.

The responsibility of the shipper is limited to the delivery to steamer, lighter, or pier as may be agreed. No other risks are assumed by him.

How Quotations Should Be Made.—It is of the utmost importance in quoting c.i.f. to obtain exact figures. These can be gotten by the various means outlined. No shipment should be made without a definite request for a rate, and if application is made through various sources (i.e., foreign freight agents of railroad companies, freight forwarding agencies, forwarding departments of express companies), the result will be to the advantage of the shipper. This is due to the fact that at certain periods some steamship lines are in a position to quote better rates than competitors because of a greater amount of room; besides which competition may likewise cut an important figure.

Almost invariably steamship lines fix a minimum charge for the issuance of a bill of lading, charging \$5.00, \$7.00, or \$9.00 each, as the case may be. In such instances the charge is made regardless of the size of the case, provided it is less than the minimum of cubic feet fixed by the officials of the steamship lines for a minimum bill of lading. Thus, if this minimum is 55 cubic feet, and two cases are tendered, the cubic contents of which measure only 30 cubic

feet, the charge will remain the same. It is highly essential, therefore, that manufacturers, when making foreign shipments, should seek to obtain the lowest possible minimum bill of lading and should endeavor to make shipments that at least measure up to the minimum in order that excess freight may be avoided.

The Advantage of Quotations.—Although time, patience, and careful attention to details are required in order to furnish c.i.f. or f.o.b. quotations to Latin American buyers, the painstaking manufacturer who is willing to make this effort will find that his business will grow much more rapidly as a result. Such quotations can now be made more easily than in the past because of the numerous means of obtaining rates.

An Aid to Quotations C.I.F.—A publication of great value to American exporters, which will enable them to quote prices c.i.f. to inland points in the republics on the west coast of South America, is described on page 495 of the Appendix.

CHAPTER XVI

LATIN AMERICAN TRADE LISTS AND DIRECTORIES

Introduction.—Perhaps the greatest source of loss in attempts to win Latin American trade has been the indiscriminate circularizing of Latin American dealers by American manufacturers. Proportionately the loss in Latin America has possibly been even greater than in the United States, not only because dealers do not use printed matter to the same extent as in this country, but also because the cost of mailing letters is five cents for each half-ounce or fraction thereof.

The demand for reliable trade lists increases in direct ratio to the interest of American manufacturers in export trade. Very often manufacturers conclude that they have a desirable article which could be sold advantageously in Latin America and to introduce it they require competent local or general agents. In other instances, such manufacturers are unable to make profitable export house connections and decide to try direct effort. The possibilities of extending the mail order business to Latin America likewise serve to create a demand for lists of the names of possible buyers.

The Sources of Names for Lists.—There are many sources of obtaining names of dealers and individual buyers in Latin America; the most common of these are:

1. United States Consuls.
2. Local foreign directories.
3. Directories of the world.
4. Lists supplied by companies engaged in supplying such names.
5. Names furnished by export trade journals.
6. Lists compiled by business organizations.
7. Foreign banks.
8. Foreign custom house agents.
9. Traveling or local salesmen.

10. The various directories issued by the Bureau of Foreign and Domestic Commerce.

A consideration of each of these methods, their advantages and disadvantages, is essential.

United States Consuls.—One of the means most frequently used to obtain lists of names is for manufacturers to write to United States Consuls, and such requests usually meet with prompt response. Conscientious efforts to supply only dependable names are made by the average Consul, yet he is at a serious disadvantage, for he is generally unfamiliar with the conditions which govern the manufacturer's efforts to secure foreign trade. The custom of writing American Consuls for this information should be discouraged, inasmuch as the Bureau of Foreign and Domestic Commerce at Washington, in coöperation with American Consuls, has obtained a revised and detailed list of the principal importers and merchants of Latin America. By making application through the nearest branch office of the Bureau the desired names may be gotten.

In some instances the lists thus obtained may prove inadequate and letters to American Consuls may be necessary. When such requests are made (and they should be sent through the Bureau of Foreign and Domestic Commerce at Washington), the manufacturer should state definitely his requirements. He should be particular to say whether he wishes to deal with general importers, to establish agencies, or to sell at retail. By giving the Consul the fullest details the latter will be able to act far more intelligently than if left to guess at the information desired.

Local Foreign Directories.—There are available in almost every city of importance local directories which can be had as indicated on page 498. However, the disadvantages of such directories are obvious, the publication often being too old to be accurate or complete and merchants usually being classified regardless of standing or responsibility. Furthermore, indiscriminate circularizing is both expensive and dangerous, inasmuch as the manufacturer's prices and discounts may fall into the wrong hands.

In the event that it is desired to use names thus obtained for circularizing, a list should be made thereof and submitted to local banks or individuals in a position to know something of the standing of dealers, with the request that the names of those unworthy

of credit or no longer in business shall be removed. This plan will serve to minimize waste. In making such a request the letter should be very carefully worded and accompanied by an international postal coupon (cost, six cents) for the reply.

Directories of the World.—There are several directories published by European firms, giving lists of dealers in almost every important place in the world. These are frequently the source of much waste circulation, because of lack of sufficient revision and also because they are incomplete. Before the cards made from such names are placed in a permanent file for frequent use, the accuracy and responsibility of the names should be verified by letters to local banks or to United States Consuls who may also be of service in the correction of these lists.

Lists Supplied by Companies That Sell Names.—Addressing companies who have a list department are accustomed to advertise the sale of foreign trade lists to which may be made the same general objections as those in the preceding paragraphs. If such names are obtained they should be verified by the methods already suggested.

Lists Furnished by Export Trade Journals.—The names of dealers furnished by export trade journals are more likely to be reliable than those selected arbitrarily from directories. This is due to the fact that the names are obtained from reliable correspondents of the publishers, and in many instances they are the names of actual subscribers. Furthermore, by means of lengthy experience, the publishers are likely to recognize the importance of verified lists. Names obtained from this source will serve as a good check for lists gotten otherwise.

Lists Compiled by Business Organizations.—Membership in a business organization, a feature of whose work is assistance in foreign trade extension, may entitle the manufacturer to certain trade lists. Names thus supplied are usually gathered by means already described. However, an efficient secretary of such a trade body can render valuable service in the checking of lists by submitting names for revision to the officers of the Chambers of Commerce and other commercial organizations of Latin America. In any event when names are supplied by commercial organizations, the manufacturer should insist upon knowing how they were compiled.

The Assistance of Foreign Banks and Bankers.—Another means of obtaining names is that of writing banking houses in Latin American cities, stating in detail the requirements. This is usually effective but particularly where it is desired to establish agencies. In the event that lists are requested of banks, it may prove advisable to submit names obtained from other sources, which will enable the bank to run over them quickly and check those not desirable.

The World's Trade Directory.—Several years ago the Department of Foreign and Domestic Commerce in Washington compiled a "World's Trade Directory" which included the names of commercial houses and importers in general located in various parts of the world. These names were gathered by United States Consuls and were classified according to industries. If used, as all trade directories should be used, in a limited way, they can be made to assist materially in the formation of a mailing list.

The Revised Trade Directories of South America.—Because of the insistent demand for a revised directory of Latin America exclusively, and one more complete and reliable than the first edition, the Department has published several volumes of directories. These contain a detailed list of South and Central American importers and merchants, and as the revision has been made in coöperation with American consular officers, the names were brought up to date of publication. These directories are listed on page 504 of the Appendix.

How Names Are Listed.—As far as the information could be obtained, the names of American and other foreign agents of South American importing firms were listed; and importing firms and branch houses located in various South American cities also appear therein. In the preparation of the directories there were included only the names of such merchants or other individuals who seemed likely purchasers of North American materials or merchandise. The directories are bound in buckram in octavo form.

Requisites for Latin American Mailing Lists.—1. System is the first requisite in the formation of any list and is especially important in establishing a mailing list for Latin America. The care and preparation of such a list should be delegated to one person on whom the responsibility for its upkeep may be defi-

nately placed. This person should preferably have some knowledge of Spanish and of conditions in Latin America.

2. The lists should be divided into at least two classes, the unverified and verified. As fast as a name has been definitely proved a desirable prospect it should be placed in the verified division with full data regarding the basis on which it is verified, that is, whether approved by bank, consul, correspondent, or by a definite letter or order from the merchant himself.

3. The foundation of the verified list should be the names of dealers who have answered advertisements; made inquiries for goods; asked quotations; or those to whom shipments have been made; names supplied by local agents, etc.

4. When information is obtained, its source should be noted on the card. A good method is the use of two checks; that is, consulting the American Consul as well as banks or other sources.

5. Traveling salesmen or local agents should be supplied with lists of all names obtained from the various sources, and they should be compelled, after visiting a town, to furnish a revised list with notations relative to each name. Careful attention to this detail will result not only in an immense saving but likewise in the utmost efficiency in the distribution of printed matter.

The Classifications in Latin American Lists.—Trade lists as obtained from directories are often inadequate, inasmuch as importers frequently handle all sorts of commodities and may be listed only under one heading.

For this reason they may not be circularized unless information has been obtained to indicate exactly what goods they sell. In this connection the value of personal investigation by local or traveling agents is apparent.

Although the immediate results obtained by a traveling salesman may not be in proportion to his expenses, the gathering of names with which correspondence can be carried on will prove very valuable.

Factors to Consider in the Use of Lists.—No matter with what care a list is compiled it should be constantly revised. Changes occur in the mercantile world of Latin America as in the United States and unless these changes are noted on the cards much useless and expensive circularizing may be done. When lists are addressed, the utmost care should be taken to use the correct pre-

fixes, and, in the larger cities, street addresses, post-office boxes, or names of stores. These are absolutely indispensable details, as the possibility of loss in the mails is much greater than in this country.

Trade Lists for Mail Order Houses.—The rapid development of the mail order business with Latin America and the opportunities for mail order houses in that field have aroused a great interest in the means of obtaining names of possible buyers. In the chapter devoted to the mail order business are given concrete suggestions as to whom to approach. The names are available in the local directories, of which a list is given in the Appendix. The most reliable source of names of consumers is the latter themselves, as they frequently submit long lists of possible users of American products. The method of obtaining these is indicated in Chapter XVIII.

List of Local Directories.—For the information of those requiring local directories a list of those of the principal cities is given on page 498 of the Appendix. The names and addresses of the publishers are also given, together with the cost of the directories. Naturally revisions and additions are continually being made.

CHAPTER XVII

ADVERTISING IN LATIN AMERICAN NEWSPAPERS AND MAGAZINES

Introduction.—Advertising, in its broadest sense, is an all-important factor in developing business with Latin America. Notwithstanding the scientific basis upon which advertising has been placed in this country, the standard as applied to Latin America is still very low. Taking as an example the vast amount of money which is being expended wastefully, advertising may well be said to be in its infancy in the southern republics.

The uses of advertising in Latin America are as diverse as in the domestic field. It can be used for the purpose of opening markets, creating demand among dealers or consumers, influencing direct orders, and for all other purposes which have made it such a powerful influence in American business.

Adapting American Ideas.—Advertising may be employed in Latin America in practically every form that is known in the United States. Fundamentally, the principles which govern its successful use are identical, although the methods of application, because of conditions, are different. Experience has proved that many excellent advertising campaigns have been equally successful in Latin America when the necessary changes to adapt them to the Latin American viewpoint were made. In the southern countries, as in the United States, it is merely a question of the right appeal, not only to the dealer but particularly to the ultimate consumer. In many instances the failure of advertising campaigns has been due solely to a neglect of the latter factor.

The Essential of Advertising Helps.—A piece of advertising matter which proves effective in the United States may be altogether valueless in the Latin American countries. An error which is extremely frequent, and which should be guarded against, is that of inserting in advertisements the same prices as those current in the United States. The manufacturers who do this fail to take

into consideration differences in monetary standards, besides duty, freight, and other charges. An advertisement with prices quoted in United States gold, even if properly translated, will be useless in the interior of Peru or Argentina, and the merchant who receives it will be prejudiced against the manufacturer, instead of using the advertisement.

Definite Purpose Needed.—No matter what form of advertising is decided upon, the manufacturer must have in mind a very definite idea of the purpose he means to accomplish by its use. Careful planning and analysis in advertising for Latin America are even more essential than in the case of domestic publicity.

The Various Kinds of Advertising.—The various forms which advertising may assume in the development of Latin American trade are many, but may be roughly classified as follows:

1. Specific sales literature such as circulars, catalogs, letters, etc.
2. Distribution of novelties.
3. Advertisements in export papers and trade journals.
4. Advertisements in the Latin American local papers.
5. Advertising by means of signboards, posters, window displays, etc.

The Use of Advertising Helps.—Advertising helps in the great majority of cases are highly appreciated by dealers, particularly when properly prepared and printed. However, as in the case of similar matter in the United States, the waste in distribution is so great that before extensively undertaking their use the American manufacturer should inform himself definitely of the exact requirements of the dealers in different countries and the desirability of supplying such helps. In preparing advertising helps, the following factors should be carefully considered:

1. Their suitability to conditions, not alone to one country but to the different places in Latin America where they are to be sent.
2. The cost to the merchant; that is, whether duty will be collected thereon.
3. Whether any prices are to be printed on the advertising matter and, in the event they are, whether these prices will be suitable ones for the countries in which they are used.
4. "Layout" designs, copy and translation to suit requirements.

Different Advertising Helps.—In order to be useful, selling helps must have an effective sales appeal. Those which have been found very successful are circulars, booklets, pamphlets, etc. When well illustrated and attractively printed, dealers have often found them even more successful in attracting trade than in the United States, for the Latin Americans have not been surfeited with printed matter of this character as have domestic merchants. Other forms of publicity such as "cut-outs," window displays, posters, hangers, and newspaper cuts (electros) are also valuable when prepared with the Latin American viewpoint in mind. It is, however, very essential to insure the use of such helps, and to that end dealers should be particularly urged, in general letters from the advertising department, to lend their coöperation.

Duties Sometimes Assessed.—In some of the republics duties are assessed on advertising matter, particularly if packed in quantities and if the articles are of a useful character. Because of the duty and freight charges, the manufacturer should inform the customer of his willingness to pay them; if he is unwilling to do so, he should either omit the advertising matter or obtain the consent of the importers to pay the charges. This is a question about which there should be no doubt, as it is a fruitful source of misunderstanding. Furthermore, in the event that the advertising matter is not used, a needless expense will have been incurred.

Souvenirs and Novelties.—The matter of duty applies with particular force to advertising novelties and souvenirs, which are generally very popular and useful in development of trade. These are of various kinds, but particularly fans, mirrors, pencils, etc. Occasionally customs officials will permit advertising matter to enter without the payment of duty, but it is a matter which the idiosyncrasies of the customs officials alone determine.

Window Displays.—This form of advertising, especially when included in an organized campaign, has been found quite as successful in Latin America as in the United States. An increasingly large number of stores are adopting modern show windows permitting adequate displays. To be effective, the displays must be in the language of the country in which they are exhibited. Before these are shipped the manufacturer should ascertain the duty thereon, and should make it clear to his customer that the charges for freight and duty (if any are incurred) will be for his account.

Metal and Other Signs.—Posters, hangers, and signs, when attractively designed, prove a valuable means of securing publicity. The keynote, however, should be the use of a distinctive trade-mark which can easily be remembered, and all other advertising done should likewise be based upon this idea. Signs are frequently displayed by merchants along highways, on walls, etc. Much waste can be avoided if the manufacturer will draw particular attention to the shipment of this material, with a request for its proper use. As an example of the value of signs may be cited the instance of an English company which manufactures ink. A sign properly painted in Spanish was placed at every railway station of the Argentine Republic with the result of a large increase in business. The signs of a well-known sewing machine which has world-wide distribution may also be mentioned, as they are to be found in the most obscure hamlets of Latin America.

Electric Signs and Novelties.—In all places where electricity has been introduced, and especially in the larger cities, its use for advertising is rapidly increasing. Lighted signs and attractively illuminated windows are appreciated particularly, as in many of the Latin American cities the main streets or plazas are the centers of community life and the streets in which the stores are located are more generally thronged than is the case in the United States. In the preparation of all advertising great care should be taken that it does not conflict with the religious beliefs or practices. By far the largest percentage of the population of Latin America is Roman Catholic and all prejudice should be studiously avoided.

The Value of Moving Pictures.—The development of the moving picture industry in Latin American cities has been as important as in the United States, and cinematograph films may be used to great advantage, as exhibitions, even in the smaller places, are as frequent as in this country. When an appeal to the ultimate consumer is to be made, this form of advertising can be used very extensively and many important successes have already been achieved in this field.

Taxation of Advertisements and Their Regulations.—As in all other forms of business in Latin America, taxation is an important factor in advertising. This is particularly so in the large cities, and a tax is collected on every outdoor sign, whether in the form

of a poster, of a billboard or an advertisement on an advertising kiosk, which is a structure partaking of the nature of a billboard. Full information regarding these taxes may be obtained from the advertising agencies located in the large cities, as they are an expense which must be considered in making an appropriation.

Latin American Advertising Prospects.—Many Americans regard the Latin American republics as extremely undeveloped. This is only partially true, for while there is a far greater percentage of illiterates such as the peon classes, the development of the better educated and well-to-do classes is akin to that of the United States. The heaviest American advertisers in Latin America at the present time are the patent medicine manufacturers. By the use, not only of newspapers but of street cars, almanacs, and the other mediums usually employed, many have succeeded in building up a considerable business. In advertising in the Latin American republics, the class to whom the appeal is to be directed must be carefully considered. Most of the articles that are imported are used exclusively by the upper or educated classes, which, generally speaking, form but a small proportion of the population.

Other Requisites to Success in Advertising.—Some American merchants desire to take a "short cut" in establishing a Latin American trade and seek to accomplish their purpose by advertising campaigns. Such campaigns have been successful and can be utilized. However, a campaign of any magnitude, particularly one addressed to the ultimate consumer, must be based on a serious consideration of the factors on which are based the essentials of advertising success in the United States. These are: (a) definite sales possibilities; (b) distribution; (c) a thoroughly efficient plan; (d) dealers' coöperation.

What to Avoid in Latin American Advertising.—In the preparation of advertising matter there are certain essentials which must be observed. They are so vital that the success or failure of an advertisement may be determined thereby. American ideas, phraseology, and above all, slang phrases and strange or misleading words should be studiously avoided. A translator should be instructed to render his version in such a manner that the advertisement may be easily intelligible. Translations made literally

from the English into the Spanish or Portuguese will fail of results; therefore the wording, arrangement, and translation are as important as, if not more so than, the choice of the medium in which the advertisement appears.

The Importance of Technical Translations.—The manufacturer who contemplates building a business with the Latin American republics should find no detail too insignificant for attention. It has been a marked feature of much American publicity that business men who otherwise were perfectly willing to pursue a liberal policy in the development of export trade, in the matter of their translations were inclined to niggardliness.

How Technical Translations Should Be Made.—It is not only essential that translations should be grammatical but that the technical phrases should be those that can be understood by Latin American buyers. Technical dictionaries are listed on page 467.

The development of commerce, especially in manufactured articles, implements, and machinery of highly scientific nature, makes it essential that care should be taken; this is particularly true where it is necessary to give instructions for the setting up or the operation of machinery that is shipped in parts.

Technical Translator Requires Freedom.—As the most painstaking technical translator frequently is unable to find in any dictionary the proper words for parts which have lately come into use, he should be allowed the utmost freedom to express himself so that his meaning will be intelligible to anyone. Under no circumstances should such translations be made hurriedly or carelessly for the purpose of merely getting the work done, as the investment of money in a highly efficient catalog will frequently pay for itself many fold. The translator should preferably have a knowledge of the art, science, or industry for which he is translating. He should be urged to visit the shop or factory where the machines are made or are in operation that he may see the purpose of the various parts and the complete mechanism. By painstaking, earnest coöperation between workmen, salesmen, and translator, the most highly involved machine can be made thoroughly understandable to a novice.

The Payment of Technical Translators.—The greatest drawback to the employment of technical experts is the expense, and here again is extreme economy unwise. The business man must realize

that in the acquirement of his knowledge the translator has spent time and effort and should be paid accordingly.

Technical translations should always be carefully checked and the manufacturer should invariably insist, before the printing of a technical catalog, on submitting it to correspondents in various cities of Latin America for approval. The expenditure of two or three months' time for this purpose will have good results and he will be able to proceed far more vigorously with an intelligent selling campaign if assured that his literature is of the right sort.

How Technical Translators May Be Employed.—If a technical translator is not available in the city where the manufacturer is located, he can easily arrange to have his work done in New York where there are numerous excellent translation bureaus. By reading the advertisements in the export trade journals he will find the addresses of expert translators; with the leading export journals he can also make satisfactory arrangements. The latter, by reason of their volume of business, are able to employ men of ability and the results are almost certain to be satisfactory since they are continually engaged in translating the advertisements of technical articles which are advertised in the columns of their journals.

Even though the manufacturer is a member of a business organization equipped with a translation bureau, he should be very careful to ascertain that its translator is not merely a clerk with a superficial knowledge of Spanish and of technical matters, else results are likely to be unsatisfactory.

The names of export journals will be found on page 495.

The Cost of Translations.—Manufacturers who insist upon the utmost efficiency should not pursue a niggardly policy in the matter of paying for their translations; the cost of having letters or other translations made varies materially. In some instances translators are willing to translate short letters for 10 cents or 15 cents per letter; in other instances 25 cents is charged. A higher charge is usually made for translating English letters into the language of the country from which the letter comes. The translations of the ordinary business communications from Spanish or Portuguese into English varies from 25 cents to 35 cents for 100 words, and from English into these tongues from 25 cents to 45 cents. The copy of technical translations is naturally much higher. Incom-

petent translators may make lower rates but they should be avoided.

Character of Export Papers.—The growth of North American exports to the southern republics is due in no small degree to export journals. Exports have not only been due solely to the fact that orders followed the publication of advertisements in these journals, but to the efforts made by their publishers to interest American business men in the possibilities of Latin American trade. The modern export paper aids its advertisers by supplying special lists of buyers, translations of letters, preparation of advertising matter, etc. It supplies credit reports and gives what information is asked in regard to such subjects as shipping facilities, proper methods of packing, financing, etc.

The Readers of Export Journals.—The export paper has no counterpart in the home field. This is due to the fact that its readers are far more general than is the case, for instance, with trade papers in the United States. An explanation of this condition may be found in that so many of its subscribers in Latin America handle a variety of lines of merchandise or products. The importer is very frequently interested in other activities, particularly farming, and sometimes small manufacturing enterprises, and in those countries where there is mineral wealth his interests may extend to the development of mines. Several of the export journals appeal more particularly to the owners of large plantations or farms, but in this instance also the number of business men in general who read them would be far larger than in the case of agricultural magazines in the United States.

Export and Technical Journals in Latin America.—An interesting feature of Latin American trade development has been the influence of export and technical journals. There is no absolutely proven means of obtaining foreign trade, and the methods that have been followed to achieve success have been as varied as the number of manufacturers who have attempted to gain it. It is not strange, therefore, that manufacturers in certain branches, particularly of specialized articles, have restricted their initial efforts in the Latin American fields to advertisements in export journals. This has resulted in both success and failure, but the fact that a number of such export journals continue to carry the advertisements of the same manufacturers for many years in succession indicates

that the merits of this form of advertising have been definitely proved.

American manufacturers who have found it advantageous to place advertisements in export journals did so with very definite objects in view. They were: (1) general publicity; (2) to obtain definite inquiries which might be developed into orders. The effectiveness of advertising for general publicity cannot be doubted. The advantages to the manufacturer of an advertisement in such journals while trade is being developed are indisputable. In this book there is no place for the discussion of the principles of advertising except as they apply to Latin American trade conditions. Therefore, it will suffice to say that the constant appearance of the manufacturer's name in journals circulated in Latin America proves of both direct and indirect value.

The Various Types of Export Journals.—In discussing this problem the various kinds of export journals must be considered. Generally speaking, they may be divided into four classes as follows:

1. Journals devoted exclusively to commercial matters and containing articles which make an appeal to the Latin American dealers or importers.

2. Journals that are intended for circulation largely among agriculturists.

3. Journals partaking of the nature of magazines, containing literary articles, etc., and with the principal appeal to the consumer.

4. Technical papers circulated exclusively among the buyers of a particular trade or profession.

In considering the advertising value of these various mediums, the uses of the last mentioned are obvious. To appreciate fully the principle underlying the distribution of the first three it is necessary to note the difference between conditions in the United States and those in the Latin American countries. Generally speaking, the lines of division are not so strongly drawn as in the domestic field. To a far greater extent than in this country the importer will be interested in various industries, and as the number of journals received in the Latin American countries does not approximate that of the United States, an export paper would have a greater number of general readers than would a paper of the same nature in the American field. Because of this

fact, a number of the heaviest and most persistent advertisers, whose advertisements are ostensibly directed to dealers, make a very strong appeal to consumers. Inquiries from the latter class are used for the purpose of obtaining agents in places where no selling arrangements exist.

How to Determine the Values.—An appropriation for advertising in Latin America must be governed by the same principles that govern similar expenditures for the home market. The advertiser should insist on definite information on the following points:

1. Proof of circulation.
2. Analysis of distribution. By this is meant obtaining definite facts and figures relative to the users of his product among the readers of the publication.
3. The cost of obtaining inquiries.
4. The percentage of inquiries that result in business.

Unless an appropriation is made with this fact clearly in mind, loss or waste is likely to result. Many swindles have been perpetrated under the guise of journals published to foster trade with Latin America. Either the paper has no circulation or the facts regarding it were distorted and misstated.

An export journal which may have been productive of great results for the manufacturer of hardware specialties may be a flat failure as a producer of business for a clothing specialty. The principles of efficiency as applied to advertising in general should be used in judging the advertising value of export papers.

The Use of a Test Key.—Advertisements inserted in export journals must be carefully keyed. This is particularly essential when direct orders or inquiries are expected and when advertisements are placed in more than one paper. It is also desirable, in advertising certain lines in which the use of a catalog is essential, and when it is desired to avoid a loss of time, to announce in the advertisement that the catalog of the advertiser may be consulted in all American consulates. In this manner, merchants who are in immediate need of the article may easily find the catalog and avoid the delay of correspondence.

How the Value of an Export Journal Is Determined.—When direct inquiries are essential, a careful report must be kept that the cost of each inquiry may be definitely determined. In studying

the possibilities of the various journals it is desirable to consider certain facts. These are as follows:

1. The relation of the article advertised to the character of the publication.

2. The number of possible buyers among its subscribers or readers.

3. The cost of the advertisement in relation to its circulation and possible interested persons.

After an advertisement has appeared, the results can be measured with almost absolute accuracy by the use of the key.

A Proof of Circulation Imperative.—The alert manufacturer should subject all claims of circulation, etc., to the most rigid investigation. This should apply not only to the number of copies circulated but also to the character of subscribers, the country in which the publication appears, etc. This is essential because of the possibility of a large waste circulation in the sale of certain articles. As a concrete example may be cited merchandise which is subject to climatic conditions. Articles which would sell exclusively in the temperate zone and would be too warm for use in the tropics would thus appeal only to those merchants or consumers in Latin America who are located at such an altitude or at such a degree of latitude that they would be interested. Merchants or consumers located in those places having a tropical climate would represent so much waste circulation.

Other Factors in Advertising.—In considering advertising in either an export or technical journal, several conditions must be considered when studying circulation. These are: (1) unfavorable tariffs; (2) inaccessibility; (3) competitive articles. In some countries such tariffs are in effect that the importations of certain products are impossible; in others, even though the tariff may be favorable, local or foreign competition may make a sale out of the question; and in still other countries, the subscribers to a journal may be located in such remote places that they may be quite negligible. In judging the value of journals severe tests must be applied, for by a careful analysis of the facts the manufacturer may learn that journals with a much smaller circulation in reality are often better adapted to his needs and will produce inquiries or orders at a lower individual cost than other publications.

The Value of Advertisements in Trade Journals.—Success in the use of trade journals by some advertisers has been based on the following reasons:

1. The general publicity was linked with its sales campaigns and contributed to the success of the latter. This was due to the fact that the buyer in Latin America placed a higher valuation on the catalogs, letters, and circulars received from the American manufacturer because the latter's advertisements appeared in reliable export papers of wide circulation.

2. The definite inquiries which were thus obtained were developed into orders.

Obtaining Greatest Efficiency.—The merchants and manufacturers who have been most successful in the use of export journals have found it desirable to employ them in connection with other means of obtaining trade. They have often been the means of hastening the introduction of an article which it has been sought to introduce into Latin American countries. However, the export paper alone, as all other methods of selling, should never be depended upon exclusively to develop a trade with Latin America. On page 495 will be found a list of the principal export journals of the United States, together with their circulation, advertising rates, etc.

Technical Papers and Their Use.—The increase of export trade with Latin America makes specializing more essential. As a result there are now being published export editions of trade journals devoted to certain particular industries. Examples of this kind of trade journal are found in the mining industry, hardware, dry goods, clothing, shoes, etc. The principles applicable to the placing of an advertisement in these journals, both as regards character and circulation, are the same as with export papers. In the case of certain industries, no matter what may be the circulation in a particular country it may be considered absolute waste, because of the impossibility of overcoming tariff restrictions and competitive or local conditions. As a concrete example may be cited the circulation of a shoe and leather journal in the republic of Salvador. Shoe manufacturers whose advertisements appeared in such a journal would find the percentage of waste in direct proportion to the circulation in that country, because of the impossibility of selling imported footwear in that republic. On the

other hand, manufacturers of leather, machinery, findings, etc., could count definitely upon the circulation in Salvador, as in also practically every other Latin American country, because they are not handicapped as are the manufacturers of shoes who must calculate both with regard to tariff and local competitive conditions.

The Use of Advertising to Open Accounts.—Many American business men wish to duplicate North American successes in the quick establishment of relations and in the opening of accounts, but they must act with much caution. Conditions are quite different in Latin America and, as has already been pointed out, the extreme conservatism of the people will at all times make necessary an ample modification of a well considered plan. If properly conceived and executed with the advice and guidance of a reliable agency, a selling campaign may be effective, but frequently it will be found desirable first to obtain partial distribution and, in connection with such distribution, plan a campaign of publicity to increase the demand.

The use of newspapers will often prove highly successful in assisting local agents to obtain a greater sale. But again, the expenditure should not be made at long range since experts with a thorough knowledge of local conditions can more intelligently do this work than it could possibly be directed from the United States.

Effective Advertisements in Export Journals.—When advertisements are inserted in export trade papers they must be prepared with even greater care than is accorded similar advertising in the United States. The necessity for frequent changes, both of copy and illustrations, is imperative, and any space, no matter what the size, should be used in the most intelligent and scientific manner. A rational use of "reason why" arguments, in addition to good illustrations and effective translation, will be productive of results, when the mere insertion of a firm's name or an inadequate advertisement will result in failure. A prime essential is to win the buyer's confidence and this cannot be done when sensational or extravagant statements are made. Facts relating to the selling points of articles advertised should be strongly emphasized. The profits either in the sale or in the utility of an article are of far greater interest to the importer than the photograph of the large factory in which the articles are manufactured.

The Necessity for Frequent Repetition.—The success of an advertising campaign, particularly if well planned and persistently and intelligently executed in connection with a proper system of follow-up, is almost certain. On the other hand, scattered or infrequent advertisements in export journals should never be used. The occasional insertion of an advertisement is almost certain to result in loss. This has been so thoroughly established that some export papers refuse to accept contracts for advertisements unless for a definite length of time (the minimum usually six months), that their value may be thoroughly established. Even the repetition may prove useless unless the copy is effective, for most Latin American dealers are very conservative, and it is unreasonable to expect that satisfactory connections will be broken by them because of the occasional advertisement of similar merchandise in an export paper.

The Use of Inquiries.—When a campaign of advertising in Latin America is undertaken, no matter what the medium, all inquiries that result should be carefully “nursed” and referred to local or general agents or to traveling salesmen, when it is not feasible to employ local agents. The display of interest on the part of an inquirer is even more significant than in the United States, and if properly handled, such an inquiry may result in a considerable volume of business. It is of the utmost importance that all inquiries be carefully indexed; that is, noted on cards which should be kept for quick reference and frequent follow-up. In this, as in all Latin American advertising, the value of the correspondence may be greatly enhanced by proper attention.

Avoidance of Technical Copy.—In preparing advertisements for export journals or local magazines, the copy to be used should be that which makes the strongest appeal to reason. Highly involved words or technical descriptions such as appear in the trade papers of the United States are most likely to prove complete failures in Latin America. Before any advertisement is inserted the study of competitive advertising or the advertisements inserted by successful makers of similar lines is highly advisable.

The Use of Local Advertising.—Newspapers in Latin America have been used by some of the concerns that have been very successful in the Latin American field. Advertisements in Latin American newspapers, if intelligently planned and executed, are

likely to prove more effective than similar advertisements in the United States, because of the fact that in Latin America there are proportionately fewer newspapers and similar publications.

The Value of Local Newspapers.—Although in almost all of the Latin American republics there is only a limited class who can read, a part relatively smaller in proportion to the population than in the United States, the newspapers, nevertheless, have been found productive of important results. This is due to the fact that, with the exception of comparatively few staple articles which are imported, the buyers of the principal imports are found among the readers of newspapers.

The Newspapers of Latin America.—In Latin America the difference in the character of newspapers is as marked as the variation of the daily press of the United States.

In the capitals, such as Rio de Janeiro and Buenos Aires, for example, there are published daily papers which would be a credit to any city in the world. There is a notable difference in the character of papers published in the different capitals. This is easily explained since the percentage of population in cities like those mentioned, who read the newspapers, is much greater than in the capital of Guatemala where the uneducated proportion of the population is much larger.

Even more marked is the difference between the papers published in the large cities and those in the smaller and remote communities where the expense of receiving cablegrams cannot be borne; as a result the papers in such places are of but little importance.

Expert Advice Desirable.—As may be reasonably expected, the development of advertising in the larger cities, such as Santiago (Chile), Lima (Peru), Rio de Janeiro, Buenos Aires, Montevideo, and Havana, has resulted in the establishment of advertising agencies. These agencies concern themselves with all forms of publicity, including newspapers, street cars, billboards, moving pictures, etc. No advertising campaign of any moment should be undertaken without obtaining the advice of the experts who devote themselves exclusively to this field. For the manufacturer to plan expenditures from his North American office without a thorough knowledge of local conditions is likely to prove disastrous even though he is guided by the local or general salesman, or an im-

porting jobber. The latter individuals may base their conclusions on erroneous opinions and, although the advice of all who would be interested in the campaign should be sought, no important publicity campaign should be undertaken without the assistance of experienced advertising men. This caution applies with equal force to agencies in the different countries, as a firm with a thorough knowledge of the Argentine cannot be expected to know local conditions in Chile, nor can a Brazilian firm advise properly regarding an expenditure in Uruguay.

Contracting for Local Advertising.—Favorable advertising contracts can more easily be made by experts than by inexperienced business men, especially in view of the instability in rates and the variations in discounts. The development of an advertising campaign in Latin America should not, however, be left to the attention of an American advertising agency, no matter how successful, unless it likewise possesses a detailed knowledge of Latin American conditions. This includes not only a knowledge of the languages, but of the social life, the climate, and the preparation of advertisements which make the proper appeal to Latin Americans.

How to Obtain a Reliable Advertising Agency.—Advertising agencies established in Latin America occasionally have correspondents or branch offices in the United States. By consulting the local directories of New York or Chicago the names of such agencies may be found. If it is desired to correspond with local agencies in the different republics, their names may be obtained as follows:

1. By consulting the directories of the larger cities, such as Buenos Aires, Rio de Janeiro, Santiago, etc.

2. By consulting the trade directories of the Bureau of Domestic Commerce.

3. By approaching the branch offices of the Bureau of Foreign Commerce or writing direct to Washington.

4. By making application for the information to the commercial organizations.

The Use of Local Magazines.—The magazine, such as it is generally known in the United States, circulates in Latin America to a far more limited extent than in the domestic field. The magazines that enjoy the largest circulation are those published in Spain, which are read with great interest because of the numerous de-

scendants of Spanish people in the Latin American republics. Of a more concentrated circulation and perhaps a larger number of readers than the Spanish magazines are those illustrated papers which are published in the various republics, particularly in the Argentine, Chile, and Peru. Typical papers of this character are: *La Ilustracion Sud Americana*, of Buenos Aires, a journal which is issued fortnightly with a circulation of about 15,000; the *Fray Mocho*, a weekly with a circulation of 100,000; *Caras and Caretas*, a weekly journal, circulation about 112,000; *Zigzag*, of Santiago, Chile, a weekly publication, circulation 35,000; the *Fon Fon*, a weekly humorous publication of Rio de Janeiro, circulation 50,000. These papers, as a rule, publish articles relating to fashion, literature, art, humor, etc., and as they circulate among the better classes who buy imported wares, they naturally wield considerable influence.

The Names, Circulation, and Rates of Newspapers.—There has been published by the Bureau of Foreign Commerce a pamphlet which gives the names and circulation of the principal papers in Latin America. This publication contains other information of value to advertisers, including the width of the columns, the rates, and other details that are essential to the preparation of advertisements.

How this pamphlet may be obtained is told on page 493 of the Appendix.

The American manufacturer who wishes to advertise can gain a perfect idea of the newspapers themselves by writing to the editors and asking for sample copies which are gladly forwarded.

Miscellaneous Journals Relating to South America.—That the interest in Latin American affairs is rapidly growing is proved by the increasing number of journals published in various cities of the United States, and which circulate either in the United States or the southern republics. A complete list of such journals together with their subscription rates will be found on page 495 of the Appendix.

Advertising Rates and Circulation of Export Journals.—For the convenience of students of Latin American trade problems, the advertising rates of the export journals which circulate in Latin American countries are given on page 498 of the Appendix, together with the circulation of these journals.

CHAPTER XVIII

THE PARCEL POST AND MAIL ORDER BUSINESS WITH LATIN AMERICA

Introduction.—The extraordinary development of the parcel post business in the United States has aroused many business men to the possibilities of extending their trade to Latin America. Because of the favorable postage rates on parcels to the southern republics, a large volume of business is already being done and the opportunities there are practically unlimited.

The Use of the Parcel Post.—Generally speaking, the parcel post service is utilized as follows:

1. By mail order houses which ship merchandise to Americans and natives in all the Latin American republics.

2. By manufacturers and exporters for the purpose of sending samples and parcels to merchants or importers. One of the advantages particularly appreciated by merchants is that goods can be imported at the rate of twelve cents per pound in packages weighing up to eleven pounds, by very direct mail routes, with almost certain delivery, and with only the simplest possible customs formalities.

In some of the countries parcels are delivered immediately upon arrival and in others upon several days' notice, which is in sharp contrast to the freight clearance through the custom houses, which frequently takes much longer.

Advantages of the Parcel Post.—Parcels sent by post are not burdened with overhead freight or handling charges. As a consequence, all articles that can possibly be sent under eleven pounds limit and of limited dimensions are ordered by mail. In some countries entire shipments can thus be imported advantageously by a single merchant. In Honduras shipments of 100 or 120 pairs of shoes and ten or twelve dozen silk shirts are often received at one time.

Why the Parcel Post Is Valuable to Mail Order Houses.—The

parcel post is of such importance to the mail order house because it affords the cheapest and quickest means of shipping small articles, no charge being made for clearance and only the duty being collected.

A further advantage consists in the fact that the parcels are returned in the event that the addressee cannot be found. Parcels may be sent by registered mail and the signature of consignee obtained, which is sent to the shipper.

The Application of the Surtax.—In some countries the importations by parcel post have assumed such proportions that a surtax is charged thereon. In Salvador ten per cent. of the amount of the customs and other charges has been added and thus the importers are regularly paying the stamp and local taxes exacted of business firms. In the case of Salvador the minimum amount was fixed at 50 centavos (about 45 cents gold). This was done because of the great number of complaints made that concerns who were not paying the taxes applicable to business houses had been importing merchandise by parcel post and thus avoiding the payment of charges to the government, causing unfair competition.

Advantage of the Mail Order Business.—While the growth of the mail order business with the Latin American republics has been rapid, the American manufacturers have not yet realized its possibilities in the great trade fields of the southern countries. Only in Mexico previous to the outbreak of the revolutionary disturbances was the volume of business done commensurate with the opportunities. The advantages of the mail order trade at retail may be briefly stated as follows:

1. The business is transacted on practically a cash basis; in almost every instance cash accompanies the orders.
2. The manufacturer can reach consumers in *haciendas* (ranches) and mining camps, likewise in remote or small communities, for whom the local dealers cannot possibly provide a sufficient assortment from which to make selections.
3. In almost every one of the republics the number of buyers in widely scattered points is rapidly increasing. They are often foreigners, particularly Americans, with decided prejudices in favor of imported products, and are frequently possessed of a large buying power because of their incomes as representatives or employees of wealthy interests,

4. The bothersome consular regulations and custom house requirements which affect importation by freight are avoided in the case of parcels sent by mail.

5. The cost of transportation is very reasonable, particularly because customs agents are not needed.

6. Literature, catalogs, circulars, etc., may be distributed with almost no waste if precautions are taken to insure the receipt by the proper persons of the matter that is distributed.

7. As the Latin Americans are very loyal, the mail order business with them can be built to large proportions if care is taken to fill orders promptly, and to pack and ship the articles exactly as ordered.

8. The Latin Americans are very much impressed with our novelties and articles of a character that make an unusual appeal, which can be sold easily by mail.

The Parcel Post Business with Consumers.—As has already been pointed out, a considerable volume of business is already done by mail order houses who have sent their catalogs to Americans scattered throughout Latin America and likewise to the natives from whom inquiries for these books have come. It has been the custom of many Latin Americans to obtain their wearing apparel from European merchants, principally French and English concerns, and one of the great possibilities of the future lies in the control of this business.

The Parcel Post in Mexico.—Previous to the recent political disturbances in the republic of Mexico, the parcel post business with that republic had assumed quite extraordinary proportions, and it is reasonable to believe that as soon as peace has again been established, the volume of business will be even greater than before. This was due to the large number of Americans who made their homes in Mexico, many of them in the isolated mining camps and interior points where desirable merchandise was difficult to secure. The mail order houses have served a very useful purpose in making it possible for Americans so situated to obtain the merchandise they desired at a reasonable price and with minimum effort. In this connection it has been affirmed that one concern alone, in the United States, has had in Mexico 13,000 customers to whom many thousands of parcels were sent annually by post. This firm has done practically all its business with an English

catalog and its orders could undoubtedly be greatly increased if the catalogs and circulars were printed in Spanish or at least accompanied by a key in that language.

The parcel post business has assumed larger proportions in Mexico than in any other Latin American country. This applies not only to the business with the United States and European mail order houses but also with the mail order houses located in Mexico City.

In the other Latin American countries importations by parcel post from Europe preponderate and purchases made of the French houses are particularly important.

As an example of this business may be cited Bolivia, in which country the large department stores of France, such as the Bon Marché, the Galeries Lafayette, the Louvre, and La Samaritaine, have built up a large business. This is true also of German mail order houses. This is due to the fact that the needs of the upper classes cannot be satisfied by the local stores in the matter of variety. Furthermore, the profits exacted are extremely high and American department stores with well organized mail order departments, and especially mail order houses in general, would unquestionably be able to do a large business were the proper effort made. The latter necessarily concerns itself with catalogs and price lists in Spanish. The fact that sales can be made to individual purchasers in the large cities greatly widens the field for those firms whose wares are especially suited to the tastes and use of city buyers.

The objects which lend themselves particularly to sale and delivery by parcel post are those in which the manufacturers of the United States excel. Among these may be mentioned cheap watches, safety razors, scissors, cutlery, tools, kodaks, sporting goods, and Yankee notions in general. Novelties of all sorts are also particularly salable by this means as the Latin Americans are quick to appreciate and take advantage of modern inventions and novelties.

The Small Manufacturer and the Parcel Post.—Perhaps in no other field has the small manufacturer or merchant so great an opportunity for the development of business with Latin America as in the mail order field. This is due to the fact that the smaller dealer, if in a position to offer quality and price equal to the larger

firm, will be on an equality with the larger exporter who contemplates a parcel post business.

How Parcel Post Business May Be Developed.—In order to establish a mail order business with Latin America a certain routine must be followed. First of all, catalogs must be prepared that will win the confidence of the recipient. These must be compiled as outlined in Chapter XV.

The names of possible buyers can be obtained in a number of ways:

1. By advertising in the American export journals which circulate in the Latin American republics.

2. By advertisements in magazines published in the different Latin American countries.

3. By advertisements in Latin American daily newspapers.

4. By the use of directories, the names being selected according to professions or classifications in harmony with the business of the mail order house.

5. By various methods known to mail order houses, including the offer of prizes for names of interested friends, the inclosure, in letters to customers, of blanks on which names of individuals who might be interested are solicited, etc. The latter is one of the most effective methods in Latin American mail order business.

The Distribution of Catalogs.—In many of the republics the parcel post officials will coöperate with American firms who wish to establish a mail order business, by the distribution of their catalogs.

In the case of Chile, for instance, information relative to such distribution may be obtained by addressing the American Consul at Valparaiso, to whom catalogs and printed matter may be sent for delivery to the proper individuals.

The Aid of Postmasters and Local Officials.—Other sources of names for the distribution of retail catalogs are postmasters and local officials. Particularly in the smaller communities these officials are usually very willing to coöperate with American manufacturers and exporters. Letters properly couched will be found invaluable aids.

The filling of orders exactly according to the illustrations and descriptions in the catalog is absolutely essential. The rules regarding nonsubstitution, packing, and attention to details apply

with even greater force to the mail order business where money is gotten in advance, than to shipments of merchandise on open account.

How a Mail Order Business Should Be Started.—As in all trade relations with Latin America, the development of a business by mail should be gradual. The merchant or manufacturer who feels he has possibilities should select, preferably, one or two countries in which to make a start. The most detailed record of costs should be kept in order that the exact expense of obtaining orders may be known. An entire line of merchandise should not be illustrated. It is preferable to select a few of the most promising items and properly catalog these, rather than to go to a large expense which may not be productive of results. Extreme caution is advisable. Even though the manufacturer is convinced that the sales will be large, experimental mailings should always be made. Large editions should not be undertaken until the results from a small mailing have been definitely ascertained.

The confidence of prospective buyers must be won by every demonstration of good faith. The Latin American, particularly the consumer, is extremely conservative and suspicious. For that reason it is highly important that the catalog and literature should bear every evidence of genuineness and reliability. He should be convinced of the good will and standing of the house to whom he is to send a remittance, else he may hesitate to forward it.

What a Parcel Post Catalog Should Contain.—In preparing a catalog, whether large or small and whether booklet or circular, there are certain fundamental rules governing its publication. It must be borne in mind that a low selling cost can be insured (in other words, profitable sales can only be made), if a sufficient number of orders are received. The success of a catalog will be determined by the following factors:

1. That it contains statements which absolutely prove to the Latin American consumer the reliability of the house to whom remittance is to be made. This can be achieved by the reproduction of letters by banks to the effect that the mail order house is in good repute and will comply with all the promises made in its literature.

2. That the catalog should also contain reproductions of letters to the same effect by the consular representatives of the Latin

American republics, preferably in the city where the merchant is located, which will likewise prove of great value. In the preparation of a catalog or circular the best models to follow are those of the large and successful mail order institutions of Chicago and New York.

The Illustrations and Descriptions.—The illustrations and descriptions in mail order catalogs used in Latin America are of greater importance than those in the ones circulated in the United States. They serve as the only means by which the consumer can form an idea of the merchandise that is offered; both therefore should be absolutely exact. The terms used should be simple and plain; all technical wording should be omitted in the translation, which should be both accurate and good Spanish. The exact weight of every article should be stated and, if possible, the price of the item illustrated should include the postage required to carry it. Prices should be stated in American gold and, if at all possible, with their equivalent in the currency of the country to which the catalog is sent. This is hardly practical except when very large editions are mailed to the countries in which the currency is on a sound basis and not subject to fluctuations. Promptitude in filling orders accompanied by cash is absolutely essential in order that the suspicion of the consumer may not be aroused. If these methods are followed, the possibilities of developing a business with Latin America are almost unlimited.

The Workings of the Parcel Post.—The details in connection with shipping packages by parcels post are extremely simple. The parcel is carefully prepared. In packing, the same care should be taken as in the case of shipments by freight, especially where the packages are for interior points and are subject to damage by rain, humidity, or tropical conditions. This is particularly essential where parcels are sent to interior points in mail bags carried on muleback. These are subject to wetting not only in the torrential rains but likewise in the fording of streams. The parcel is taken to the post office bearing the requisite postage of twelve cents a pound, together with the name and address of the shipper and the address of the consignee. Attached to the parcel is a very simple customs declaration which takes the place of the invoice. A mailing receipt is given by the post office for the parcel and the transaction is completed. When shipments are made to Latin American countries

where parcels must be carried by steamship it is important that they be covered by marine insurance since, if steamers sink, the post office is not responsible for loss.

While parcels sent by post are rarely lost, it is nevertheless also advisable to insure them against loss and theft, as both occur in doing business with Latin America.

To some countries, as in the case of Venezuela, it is necessary, when mailing parcels, to accompany each shipment with three copies of a declaration, on which are set forth the name of the article, the number of packages and the weight and value. These blanks may be obtained in any United States post office. All regulations relating to the parcel post may be found in the Official Postal Guide, which may be purchased in any city or consulted at any post office.

The C. O. D. Feature.—In certain of the countries, as Chile, for example, the American mail order business is not so heavy as it might be were the same rules in effect between this country and Chile as those which exist between the latter republic and the principal countries of Europe. One of these is the c. o. d. feature which makes it possible for the purchaser to examine parcels before paying for them. The principal European export houses make c. o. d. shipments to Chile exacting advance payments of 25 per cent., which protect them in the event that shipments are returned or refused. By this means the number of packages returned has been greatly reduced. The establishment of a similar service would give considerable impetus to American trade, and a large business would unquestionably result. Another advantage would be that American firms which are not now making shipments to Latin American countries would be enabled to obtain business from the conservative buyers in those republics who object to making remittances until they can see the merchandise.

Delivery Charges on Parcel Post Packages.—A factor that must be considered in connection with the parcel post business is that of the delivery charge. One of the rules of the Mexican postal service provides for the collection of a fee on parcels received by post from foreign countries. Packages received from the United States are assessed more than those from any other country. The reason is that a maximum weight (eleven pounds) parcel post package from the United States has a Mexican postal charge on it

of 45 cents Mexican currency, while the charge on the same package from England and France is 10 cents, and if from Germany, only 5 cents. This difference often causes orders to be sent to Europe instead of to the United States. From England and France the charge is 10 cents Mexican or \$0.498 American money per package.

Careful Wrapping and Addressing.—As the mails, like freight to Latin America, are often roughly handled, it is absolutely essential that every article be securely packed so that it may be properly delivered. It is indispensable, however, that it be so wrapped or packed that its contents may be easily seen and examined by postmasters and custom house officials. No package should ever be wrapped in light flimsy paper, or packed in pasteboard boxes, as it will not be accepted at a post office. Post office regulations also provide that boxes with lids screwed or nailed on may be used, and packages may be closed by means of sewing provided they are presented to the post office open for inspection. Great care should be taken to wrap parcels properly, or they will not be forwarded.

Necessity for Attention to Packing.—It must be remembered that parcels are frequently carried several thousand miles and care should be taken that they do not reach destination in a dilapidated condition, with consequent loss to contents. Oilcloth or waterproof material to protect contents against dampness should invariably be used, even when packed inside a strong container. Many European exporters employ light wood boxes when mailing parcels, and the outside of cloth or oilpaper is frequently sewed, although shipments thus made should also be insured to guard against loss.

The Importance of Measuring and Weighing Parcels.—There are certain factors which every exporter who uses the parcel post service should take into account. Parcels must always conform in dimension, weight, and value to the laws of the country to which they are addressed. A parcel not over three feet six inches in length may measure as much as two feet six inches in girth, or round its thickest part; a shorter parcel may be thicker. Thus, if it measure three feet in length, it may measure three feet in girth or round its thickest part. In the case of parcels for Colombia and Mexico, the length cannot exceed two feet, no matter how small may be the girth, and the girth cannot exceed four feet, no matter how short the parcel may be.

Business in Certain Countries Handicapped.—One of the factors which militate against the development of the mail order business between some of the republics and the United States is the lack of money order agreements, which makes it difficult for purchasers to remit. In such cases purchasers often send English sovereigns or gold coins of a country of which the currency can be converted into American money without too great a loss.

Another drawback in certain of the republics is the lack of a stable exchange. Because of fluctuations it is difficult for the purchaser to know the rate which will be paid.

How Exchange Difficulties May Be Overcome.—Some American mail order houses specify in their advertisements the rate of exchange at which they will accept the currency of the country. As they have previously arranged with agents in New York City for this conversion they can do this without fear, although latterly, because of the European War, there have been wide fluctuations. Another means of overcoming this difficulty is the appointment of an agent in one of the principal cities, to whom remittances may be made for the credit of the purchaser, and the agent then remits the proceeds to the American mail order house.

Authorized Offices for Importations.—Although parcel post arrangements are in effect with the countries mentioned, arrangements for the payment of duty do not extend to every post office in these countries. In some of these the duty may be paid only in certain offices and it is necessary for the individuals who order from abroad to arrange to obtain the importations from such offices. This is notably the case in Santo Domingo, but in inland post offices where there are no customs houses the receiver must appoint an agent to examine the package at the port of entry and to pay the duty before it can be forwarded to destination. The extension of this privilege to other places will unquestionably aid materially in the development of the parcel post business with the United States.

Parcel Post to Latin America.—A list of the Latin American republics to which parcel post packages may be sent, together with the rules governing their sending, will be found on page 525 of the Appendix. On page 524 there is also a list of the countries to which international money orders may be sent. The parcel post rate is twelve cents for each pound or fraction of a pound.

CHAPTER XIX

TRADE-MARKS, LAWS AND REGULATIONS IN LATIN AMERICA

Introduction.—The American merchant who seeks to establish a business in Latin America should bear in mind the value of a trade-mark. Most manufacturers who extend their activities to the southern countries already have a trade-mark which has possibly been an important factor in the upbuilding of the domestic trade. To such manufacturers, the value of protecting a trade-mark even before a new field is entered need not be dwelt upon. For the manufacturer who wishes to create a permanent business in a Latin American country, a suitable trade-mark is of the highest value.

The Importance of Trade-marks.—Many concerns which began to do business in the Latin American field after achieving success in the domestic market learned that their trade-mark which was so successful at home was entirely inappropriate for the Latin American field. This also applied to names which had become a by-word in the United States, but were absolutely inappropriate in the southern republics because of the difficulty of pronouncing them. The manufacturer who has never done Latin American business possesses therefore a certain advantage in that he can profit by the mistakes of others and avoid seriously handicapping himself in the efforts for new business. The right trade-mark should be selected at the beginning because any campaign undertaken must be based on the determination to create a permanent demand and money expended in familiarizing the public with the trade-mark will not then be lost.

Qualifications of a Trade-mark.—A trade-mark, to be of the most lasting value, should be easily pronounceable. If at all possible, it should be a word that has the same significance in English or Spanish. Examples of this are found in the success of international brands such as Singer (sewing machines), Oliver (typewriters), National (cash registers), Colt (revolvers), Evinrude

(motors), Regal (engines), etc. Words of this character are all easily pronounceable in the Spanish fashion. Words in which the letters W or K appear should never be used because these letters are not found in the Spanish alphabet.

The Value of the Design and Color.—The greatest need of a trade-mark in Latin America is simplicity. This is particularly desirable when appeal is to be made to the masses of the people. An article of merit which carries a trade-mark is likely to be copied by other manufacturers, particularly by European houses; hence a pictorial design which has strong individual features should be selected. The natives become familiar with such a trade-mark and invariably call for the article with that distinguishing feature. The importance of the right brand can easily be appreciated. A fish, an animal, a bird or other pictorial design which can be combined with a name easily pronounceable in Spanish is the best combination.

The Importance of Colors.—Vivid or loud colors are the ones most appreciated in the Latin American countries. When colors are used the color scheme should be a simple one, strongly devised, in order that the trade-mark may make a lasting impression. Carmine in combination with green, a black with yellow, and a blue with white are examples.

The Featuring of a Trade-mark.—Once the trade-mark has been decided upon, its use should be continuous and it should not be changed. Even the slightest variation, particularly in color or design, arouses the suspicion of the natives, and this is particularly the case when an article has had a continuous sale. The trade-mark should be used on all literature, invoices, envelopes, hangers, circulars, catalogs, etc. The value of a trade-mark lies in its constant repetition and a preliminary campaign of advertising by mail has an important effect in educating the dealer. Work of this sort possesses unquestioned value in preparing the ground for the traveling representative of a new line of goods.

The Necessity for Registering a Trade-mark.—There are many unscrupulous individuals who wish to take advantage of trade-marks to further their own interests. It is for this reason that the trade-mark of any product or article on which a large business may be built up should be registered. This is particularly so in the larger Latin American republics in which the volume of

business may assume considerable proportions. Many manufacturers who have not taken this into consideration when establishing business in Latin America have had to pay dearly for their oversight.

How Trade-marks Are Stolen.—The trade-mark laws of Latin America differ materially from those of the United States, and in many of the southern republics the one who first registers the trade-mark is granted title thereto, no matter if he has no other interest therein. The result has been the registration, by unprincipled Latin Americans, of trade-marks which in many instances apply to goods that have not previously been imported, and which are registered as a speculation.

How Unwary Americans Are Mulcted.—After having obtained title of the trade-mark by registration, the trade-mark thief is in a position to take advantage of the owner in the event that the latter makes shipments to the countries in which the brand has been registered. This has frequently been done and manufacturers who have not taken the precaution to register their trade-mark found to their sorrow that in the eyes of the law they had no right to use their own brand and were either compelled to abandon it or to buy the rights for its use from the individual who had obtained the title. When such unfortunate manufacturers have sought to protect their interests they found that the necessary legal action was a very costly one and the source of no end of trouble. As the trade-mark rights in several of the best fields for American products in Latin America are dependent upon registration, it is highly essential that registration should not be overlooked or delayed. If this is not done, and the brand is registered by a trade-mark thief, a seizure of goods bearing the mark may follow their arrival at a custom house. Even though a brand may not be looked upon as valuable, it should nevertheless be registered if manufacturers expect to use it on merchandise shipped to Latin America, else difficulties may ensue.

Importance of Safeguarding the Registration.—Before the owner gives a power of attorney for the registration of his trade-mark, he should make certain that his interests are in the hands of a reliable trade-mark specialist fully acquainted with conditions and understanding perfectly all the rules and regulations governing them. The greatest care should be exercised in selecting an agent

for the registration of trade-marks, inasmuch as grave consequences may ensue from misplaced confidence. In signing a power of attorney which is given for the purpose of proceeding with the work, the manufacturer must make sure that the document grants authority only for that specific purpose, and that the trade-mark is to be registered in the name of the manufacturer. It is not sufficient to select a lawyer as in many cases even responsible attorneys are incapable of attending to the detail in connection with a trade-mark. Unscrupulous agents sometimes obtain power of attorney authorizing the registration of the trade-mark in their own name rather than in that of the manufacturer.

Obtaining Reliable Agents for Registration.—The best method of obtaining an agent is for a personal representative of the manufacturer to choose and appoint a trade-mark agent or lawyer in each of the capitals. This is, of course, not practical except in rare cases, but should be done whenever possible. Before making such an appointment the advice should be asked of the most reliable business men, the banks, the local consuls and other officials. Various means may be employed to reach competent specialists who can properly serve American manufacturers. Following are some of them:

1. Attorneys or specialists recommended by the Philadelphia Commercial Museum, the National Association of Manufacturers, the American Exporters' Association, etc.

2. Firms or lawyers suggested by American Consuls who are asked for this information.

3. Bankers or representative banking firms who may be asked to suggest reliable men.

Local Representatives Desirable.—It is highly desirable that the registration of trade-marks and the obtaining of patents shall be arranged by experts on the ground. This is because of the fact that many forms must be properly supplied and signed, innumerable details handled, and the work of the registration office expedited. In a general way, regulations relative to trade-marks, including the description, drawings, and other terms, are similar in all the countries, yet there is such a difference that the value of expert service in this respect will be appreciated by those who find it necessary to register brands. The following table will be of interest to those who desire information relative to registration.

DOCUMENTS REQUIRED FOR REGISTRATION OF TRADE-MARKS¹

Country	Power of Attorney	Declaration	Electros	Fe- scales
Argentina...	Signed by applicant before notary public legalized by Argentine Consul.	.....	1 not over 2" x 2"	8
Bolivia.....	Signed by applicant before notary public legalized by Bolivian Consul.	.....	.....	10
Brazil.....	Signed by applicant before notary public legalized by Brazilian Consul.	Certified copy of home registration.	.....	10
Chile.....	Signed by applicant before notary public legalized by Chilean Consul.	.....	.....	4
Colombia....	Signed by applicant before notary public legalized by Colombian Consul.	Certified copy of home registration legalized by Colombian Consul.	.....	5
Cuba.....	Signed by applicant before notary public legalized by Cuban Consul.	Certified copy of home registration legalized by Cuban Consul.	.....	12
Costa Rica...	Signed by applicant before notary public legalized by Costa Rican Consul.	.....	1	4
Ecuador.....	Signed by applicant before notary public legalized by Ecuadorian Consul.	Certified copy of home registration legalized by Ecuadorian Consul.	1 not over 2" x 2"	20
Guatemala...	Signed by applicant before notary public legalized by Guatemalan Consul.	Certified copy of home registration legalized by Guatemalan Consul.	.....	12
Honduras....	Signed by applicant before notary public legalized by Honduran Consul.	Certified copy of home registration legalized by Honduran Consul.	.....	4
Mexico.....	Signed by applicant and two witnesses.	.....	1 not over 2" x 2", applicant's name and place of manufacture	12
Nicaragua...	Signed by applicant before notary public legalized by Nicaraguan Consul.	.....	1	3
Panama.....	Signed by applicant before notary public legalized by Panamanian Consul.	Certified copy of home registration legalized by Panamanian Consul.	.....	4
Paraguay....	Signed by applicant before notary public legalized by Paraguayan Consul.	.....	1	8
Peru.....	Signed by applicant before notary public legalized by Peruvian Consul.	.....	.....	10
Santo Domingo....	Signed by applicant before notary public legalized by Dominican Consul.	Certified copy of home registration legalized by Dominican Consul.	.....	8
Uruguay....	Signed by applicant before notary public legalized by Uruguayan Consul.	Certified copy of home registration legalized by Uruguayan Consul.	1 not over 2" x 2"	3
Venezuela....	Signed by applicant before notary public legalized by Venezuelan Consul.	Certified copy of home registration legalized by Venezuelan Consul.	.....	6

¹From *System*, October, 1914.

Important Details Regarding Trade-mark Registration.—The following additional information concerning the registration of trade-marks in the Latin American republics will be found of value. In the case of each republic there are certain formalities which must be complied with and these can be supplied by the agent to whom the registration of the trade-mark is given. A certificate of registration in the country of origin will be found valuable.

Argentina.—Office of registration.—La Direccion de Patentes y Marcas, Buenos Aires.

Duration.—Ten years; renewable.

Fees.—Registration in one class, 50 pesos, Argentine currency; registration in each additional class, 44 pesos; renewal, same; extra certificates, each 5 pesos. Registration is essential. Previous registration not required. The Argentine law vests rights to trade-mark in individual who first registers it. Paper peso = \$0.4246.

Bolivia.—Office of registration.—Ministerio de Instruccion Publica y Fomento, Notario de Hacienda, La Paz.

Duration.—Indefinite.

Fees.—Tax of 5 bolivianos per year. Registration is essential. Previous registration not required. The Bolivian law vests right to trade-mark in individual who first registers it. Boliviano = \$0.389.

Brazil.—Office of registration.—Junta Commercial, Rio de Janeiro.

Duration.—Fifteen years; renewable.

Fees.—Registration, 5 milreis in stamps; renewal, same. Registration essential. Previous registration not required. The Brazilian law vests rights to trade-mark in individual who first registers it. If trade-mark has been previously used later registration is void. Paper milreis, fluctuating, worth about \$0.25.

Chile.—Office of registration.—Sociedad Nacional de Agricultura, Santiago.

Duration.—Ten years; renewable.

Fees.—*Marca de fabrica* (trade-mark), 12 pesos; *marca comercial* (dealer's mark), 3 pesos; renewal, same as for registration; certificates, 1 peso. Registration is not essential but desirable. Previous registration not required. The Chilean law vests rights to

trade-mark in individual who first registers it. Paper peso, fluctuating, now worth about \$0.16.

Colombia.—Office of registration.—Despacho de Hacienda, Bogotá.

Duration.—Twenty years; renewable.

Fees.—Registration of mark, 15 dollars; renewal, 30 dollars. Registration is essential. Previous registration is required. The Colombian law vests rights to trade-mark in individual who first registers it. Gold dollar=\$1.

Costa Rica.—Office of registration.—Secretaria de Fomento, San José.

Duration.—Fifteen years; renewable for periods of 10 years.

Fees.—The following stamp taxes are provided for in connection with the registration of trade-marks: Each copy of the model of the mark, 5 colones; certificate of inscription, 2 colones; inscription, 5 colones. Registration not essential but desirable. Previous registration not required. The Costa Rican law vests rights to trade-mark to any using it. Colon=\$0.465.

Cuba.—Office of registration.—Secretaria de Agricultura, Industria, Comercio, y Obras Publicas, Habana.

Duration.—Fifteen years; renewable.

Fees.—Registration, \$12.50; renewal, same.

Registration not essential but desirable. Previous registration is required. The Cuban law vests right to trade-mark to individual who first registers it.

Ecuador.—Office of registration.—Ministerio de Hacienda, Quito.

Duration.—Twenty years; renewable for periods of 15 years.

Fees.—Registration, 25 sucres; publication, 12 sucres; stamped paper, 2.40 sucres; total, 39.40 sucres. Renewal, same, except that no publication is required. Registration is desirable but not essential. Not necessary to have been previously registered. Right to trade-mark is vested in individual first registering it. No legal proceedings can be instituted prior to registration of trade-mark, in case infringement is attempted. Sucre=\$0.187.

Guatemala.—Office of registration.—Secretaria de Estado en el Despacho de Fomento, Oficina de Marcas, Guatemala.

Duration.—Ten years; renewable.

Fees.—Registration and certificate, 30 pesos; additional copies

of certificate, 5 pesos; publication, 50 pesos; authentications (usually two), each, \$3 gold. Not essential to register trade-mark, but desirable. Necessary to have been previously registered. Guatemalan law vests right to trade-mark in any individual applying for it. Paper peso, fluctuating, about \$0.025.

Honduras.—Office of registration.—Secretaria de Fomento, Tegucigalpa.

Duration.—Indefinite.

Fees.—None provided by law. Translation, publication, and stamps about \$35 gold. Registration not essential but desirable. Necessary to have been previously registered. Individual first using trade-mark obtains right thereto. If trade-mark has been previously used, later registration void. Peso=\$0.363.

Mexico.—Office of registration.—Secretaria de Estado y del Despacho de Fomento, Colonizacion, é Industria; Oficina de Patentes y Marcas, Mexico City.

Duration.—Twenty years; renewable.

Fees.—Registration, 5 pesos; renewal, same. Desirable to register but not essential. Not necessary to have been previously registered. The Mexican law vests right to trade-mark to individual owning it. No legal proceedings can be instituted prior to registration of trade-mark in case infringement is attempted. Gold peso=\$0.498.

Nicaragua.—Office of registration.—Ministerio de Fomento, Managua.

Duration.—Ten years; renewable.

Fees.—Registration, 25 pesos; renewal, same; certificates, 1 peso. It is essential to register trade-mark. Not necessary to have been previously registered. Nicaraguan law vests right to trade-mark in individual first applying for it. Peso=\$0.08.

Panama.—Office of registration.—Secretaria de Fomento, Ramo de Patentes y Marcas, Panama.

Duration.—Ten years; renewable.

Fees.—Registration, 25 balboas; renewal, 20 balboas; for articles of domestic manufacture or production the fees are one-half the above. Registration not essential but desirable. Necessary to have been previously registered. Right to trade-mark is vested in any individual using it. If trade-mark has been previously used, later registration is void. Balboa=\$1.

Paraguay.—Office of registration.—Junta de Credito Publico, Asuncion.

Duration.—Ten years; renewable.

Fees.—Registration of marks of foreign origin, 20 pesos gold; of domestic origin, 50 pesos currency; each extra certificate, 20 pesos currency, with 1-peso stamp on first page, 0.25 peso on each additional page; renewal, same as registration. Essential to register trade-mark. Previous registration not necessary. Right to trade-mark is vested in individual first applying for same. Gold peso=\$0.965; paper peso=about \$0.062.

Peru.—Office of registration.—Ministerio de Fomento, Lima, or any Peruvian consulate general.

Duration.—Ten years; renewable.

Fees.—Federal registration fee, 25 soles; publication of notices, 4 soles; stamped paper, 1.20 soles if registered with a Peruvian consul; if registered in Peru the fees are higher. Stamped paper, 0.10 to 0.40 sol per sheet. Registration is essential. Not necessary to have been previously registered. Any individual using trade-mark becomes owner. Sol=1-10 pound sterling=\$0.4866.

Salvador.—Office of registration.—Oficina de Patentes, San Salvador.

Duration.—Twenty years; renewable.

Fees.—Registration of foreign marks, 10 pesos; domestic marks, 5 pesos; annual tax on foreign marks, 5 pesos; domestic marks, 2 pesos; extra certificates, 5 pesos; publication, not over 5 pesos; stamped paper, 0.10 to 0.25 peso per sheet. Ordinary paper may be used with stamps affixed. Registration not essential but desirable. Previous registration is necessary. Right to trade-mark is vested in individual first using it. No legal proceedings can be instituted prior to registration of trade-mark in case infringement attempted. Peso=\$0.363.

Santo Domingo.—Office of registration.—Ministerio de Fomento y Obras Publicas. Santo Domingo.

Duration.—Ten to twenty years; renewable.

Fees.—Registration for 10 years, 5 dollars; 15 years, 10 dollars; 20 years, 15 dollars; renewal, same. Registration desirable but not essential. It is necessary to have been previously registered. Right to trade-mark is vested in individual first using it.

Uruguay.—Office of registration.—Ministerio de Industrias, Tra-

bajo, e Instruccion Publica ; Oficina de Marcas de Fabrica, Montevideo.

Duration.—Ten years ; renewable.

Fees.—Registration, 10 pesos ; renewal, 25 pesos ; extra certificates, 2 pesos. Registration is essential. Previous registration is necessary. Uruguayan law vests right to trade-mark in individual first applying for it. No legal proceedings can be instituted prior to registration of trade-mark in case infringement is attempted. Peso=\$1.034.

Venezuela.—Office of registration.—Ministerio de Fomento, Ramo de Privilegio o Patentes de Industrias, Caracas.

Duration.—Thirty years ; renewable.

Fee.—Seal and stamp for application, 1.50 bolivares ; seal and stamp for certificate, 45 bolivares. Registration not essential but desirable. Necessary to have been previously registered. Right to trade-mark vested in individual first using trade-mark. Bolivar=\$0.193.

CHAPTER XX

HELPFUL FACTORS IN THE DEVELOPMENT OF LATIN AMERICAN BUSINESS

Introduction.—In the extension of Latin American trade there are many factors which influence success or failure and which must be given careful consideration in connection with all sales efforts. These factors are of such a varied character that in a work of this kind only a few can be discussed. Some of the principal ones are: attention to details; the recognition of the influence of foreign residents; a study of the needs of labels on packages and containers; a knowledge of National holidays; the maintenance of stocks of supplies and parts of machinery, etc.

Need of Adaptability.—The keynote to the success achieved by those firms who have established the most profitable business in Latin America was their adaptability. Almost without exception such houses have changed their methods of marketing in accordance with the customs and conditions which they have found in the different republics or sections thereof. They realized the folly of applying to the southern countries the same selling plans as those which were used in the United States. The purchasing power of the different classes, the peasants as well as the well-to-do inhabitants, was considered, and the selling campaign arranged to meet the facts.

Need for Competent Direction.—No matter what selling plan was adopted, the concerns who have firmly established their business have invariably placed in charge of their department a competent director. In the case of the small manufacturer whose means or volume of business will not permit an elaborate foreign department, the necessity for a full knowledge of the needs remains the same. Generalities have no place in the consideration of the problems of Latin American trade, and specific facts should be obtained; otherwise the experiment may prove costly. The following paragraphs, in which some factors of importance in building

export trade are considered, will demonstrate the necessity for attention to details.

Nationality a Factor.—A factor which is sometimes overlooked by the manufacturer who has not thoroughly studied the export trade situation is the prejudice of the members of one nationality towards those of another. In many communities there are colonies of Chinese, Japanese, Syrian, Arabian, and Turkish merchants, who have established themselves, and by reason of their willingness to sell merchandise at very low profits; have gained the ill will of merchants of other nationalities. While in many instances merchants of the aforementioned countries are in a very strong financial position, the manufacturer who is seeking to establish a business in any of the communities where they are engaged may find it to his decided disadvantage to place his wares in their shops, because of the prejudice against him which such action may arouse.

The Need of Local Representation.—In the introduction of many products or manufactures, local representation is almost indispensable. This is particularly true in the case of machinery or implements requiring overlooking or technical installation. The expert in charge should be thoroughly practical and should be able to correct errors and to make demonstrations of uses and processes. Such an individual should be supplied with a stock of spare parts to replace those that may be lost, damaged, or worn out.

Maintaining Stocks of Parts.—The necessity for such a depot will be readily apparent. It is not reasonable to expect that the purchaser of a large piece of agricultural machinery, who is located far in the interior, would be willing to wait until a part that breaks is obtained from the United States. One of the best and most effective arguments that could be advanced by the manufacturer who produces machinery, when offering his product to Latin Americans, would be his ability to supply parts from a centrally located depot, to minimize loss of time.

Numbering Machinery Parts.—The manufacturers of agricultural machinery, agricultural engines, electric light plants, sugar mills, etc., should number every part. This applies not only to the actual machine but to the illustrations thereof in catalogs. The reasons are self-evident. The purchasers of machinery frequently find it necessary to replace broken or worn parts, and desire to

supply such necessities with the least possible delay. To do so requires cabling, if no stock is carried in Latin America, and the expense thereof can be minimized if it is possible to telegraph in a code with numbers.

The Finish of Machinery.—Because of foreign competition, particularly that of French makers, who are accustomed to finish their manufactures in a very attractive manner, it is essential that the American manufacturer make his machinery as presentable as possible. While finish may not add to the strength or efficiency of a plant, it makes a very strong appeal to the esthetic sense and the importers are desirous of having the machinery reach them in attractive condition. Where machines have to be resold, this is even more important, as the scarring caused by transportation and handling is decidedly to the disadvantage of the buyer.

The Importance of Attractive Labels.—Not only the intellectual life of the Latin American nations has been greatly influenced by the French, but many of the articles in most common use, particularly by the women, bear unmistakable evidence of French influence. This is especially true of labels, packages, containers, etc. The Latin American is quick to grasp the selling value of an article that is attractively presented, and for that reason the American manufacturer should study the tastes of the ultimate consumer, and seek in every way possible to gratify them. In making an analysis of this important factor, it is indispensable that the tariff of the respective countries be taken into consideration in order that the sale of an article may not be adversely affected by excessive import duties on the package or on the article itself.

Providing for Climatic Conditions.—The effect of climate is so marked that it must be carefully considered. In the sale of certain articles—for instance lightweight garments—it is essential that no metal be used, inasmuch as the tropical climate, particularly the salt breeze, quickly corrodes metal, and garments on which such material appears are easily damaged. This applies especially to trousers, belts, suspenders, and similar articles. Another example is that of enameled ware shipped to the tropics. Ordinary enameling will not do and although an increase in the thickness thereof may add to the cost of manufacture, this will be compensated by the increase in business. Before shipping enameled paper, labels, etc., to a warm climate, it should be ascertained if mucilage, glue,

or other adhesive substances may not be omitted, as articles are frequently rendered unsalable when this is not done.

Meeting Requirements for Special Sizes.—Notwithstanding the fact that arguments regarding higher prices may frequently be answered, there are times when it seems highly desirable to make some change in manufacture in order that an article may find a more ready sale. This is particularly true in the case of products which must be packed in a certain manner to meet the requirements of the trade. As a specific instance may be cited the case of an importer of canned food products. It was found that because of the small wages paid the laborers a package ordinarily retailed in the United States at twenty-five cents was too expensive, yet the article itself was appreciated and could be sold. By arranging to pack this product in cans that could be retailed at five, ten, and fifteen cents, a large business resulted.

Supplying Requirements of Dealers.—A concrete example of the necessity for observing the wishes of dealers is afforded in the cotton goods trade. Cotton goods in the United States are generally quoted in bolts of twenty yards whereas the Latin American prefers bolts of forty meters or thirty-one feet. In other instances, American textile manufacturers reject small orders and will ship only bolts of 50 or 60 yards, while European houses supply smaller lots which are suitable for the markets in bolts of 20 and 30 yards.

Requests for Special Wrapping and Packing.—A strict compliance with requests for special labels or wrapping is indispensable, as these are based on conditions of which the American manufacturer has no knowledge. An instance may be cited of a Central American importer who had for many years imported candles which were wrapped in blue paper. When a shipment came wrapped in yellow paper his customers would not buy them until he could exchange the yellow wrapping for blue.

The Importance of Attractiveness.—In the case of tinned products, American brands are much preferred because of quality and general merit, yet they do not sell so well as those of other foreign countries nor at so high a price, because they lack attractiveness in packing. It is highly essential that all packages, including the labels, be made the most attractive possible in order to win the attention of the prospective buyer. In the case of certain manu-

factures, notably chemicals or drugs, it is essential to follow the rules of individual republics regarding the labeling, seal, composition, etc. Before attempting to do business in a country, the requirements in this respect should be ascertained and all preparations should be made to satisfy them. As a concrete instance may be cited the regulations for pharmacies as applicable to patent and other medicines in the republic of Venezuela. Such regulations are not onerous, but they vary, and the success achieved by numerous houses which have established a business in Latin America demonstrates that it is possible to comply and yet do business profitably.

Necessity for Demonstration.—Many manufactured articles could be successfully introduced in Latin America if the proper method were followed. This is often merely a case of demonstration. The Latin American, once convinced, is a ready buyer, but the advantages of an article must be proved to him. Labor-saving machinery, appliances, etc., can be sold if this method is followed. As an example of the possibilities of the Latin American fields may be cited the instance of the Sociedad de Electricidad de Rosario (the Light and Power Plant of Rosario, Argentina). This organization rented a large store in one of the principal business streets of that city and installed an exhibition of the very latest electric appliances, many of which had never before been used, and by demonstration created a demand for them. A sale for many other articles may be created in like manner.

The Need for Standardizing.—In the development of foreign trade, the necessity for standardizing is daily becoming more important. The efforts of trade organizations and government officials should be directed towards fixing and maintaining standards of all products which are capable of being standardized. In innumerable instances the failure of the American manufacturer to please the Latin American buyer may be attributed to the lack of standardization. This resulted from the fact that Latin American merchants ordered articles of a certain class, only to be greatly disappointed by the receipt of a shipment of entirely different character.

The Importance of Holidays.—The part that holidays play in the life of the Latin American people is far greater than in the United States. Not alone National but State and Church holidays

are universally celebrated and the observance of Saints' days, birthdays, and other anniversaries is very common. So serious has the problem of holidays become in many of the countries that strong efforts are being made by the business interests to restrict the number and character of the celebrations.

How to Use Holidays.—Holidays may be turned to good account in correspondence and in the preparation of advertising matter. This may be done by using them as a pretext for letters and traveling representatives may take advantage thereof for the purpose of sending cards and greetings, which are always appreciated by the Latin Americans. The exchange of greetings at New Year's is very common, while the celebration of Christmas also affords an opportunity for messages of good will. Advertising matter may be prepared with National holidays as the motive, and letters can often be made more intimate by expressions regarding such occasions. The lists of the holidays of the Latin American republics are obtainable from the Consulates General of the republics, in New York City. The more important National celebrations are outlined on page 303.

The Principal National Holidays in Latin America.—The importance of recognizing the effect of holidays on Latin American trade has already been referred to. The celebrations commemorate various events. In some of the republics it is the custom to celebrate the day of the country's Patron Saint. In addition the religious holidays of the Catholics are widely observed, notably, Holy Thursday, Good Friday, Easter, All Saints' Day, Christmas, and Corpus Christi, and on these days business is completely suspended. In almost all of the republics are celebrated the birthdays of the patriots who are held in especial reverence and honor. Other purely local anniversaries are also celebrated, but there are certain National holidays which are of transcendent importance. The latter have been briefly outlined below:

Argentina.—May 25. To commemorate the date on which the Spanish Viceroy, Cisneros, was deposed, 1810.

July 9. To celebrate the Declaration of Independence from Spain, 1816.

Bolivia.—August 6. To commemorate the Battle of Junin, 1824, and the adoption of the National Declaration of Independence.

Brazil.—January 1. New Year's Day. A general celebration of the new year.

February 21. To commemorate the vote on the constitution.

April 21. Celebration in memory of the leader of the republic.

May 3. Celebration of the discovery of Brazil.

May 13. Festival to commemorate the freeing of the slaves.

July 14. Jubilee celebration of the republic, commemorating the independence and liberation of the American people.

September 7. To commemorate the Declaration of Independence from Portugal, 1822.

November 2. All Souls' Day.

November 15. To commemorate the change from constitutional empire to a republic, 1889.

Chile.—September 18. To commemorate the date when the Spanish Captain General was deposed, 1810.

Colombia.—July 20. To commemorate the inauguration of the struggle for independence.

August 7. Celebration of the anniversary of the Battle of Boyaca.

October 28. Celebration of the birthday of Simon Bolivar.

Cuba.—February 24. To celebrate the date of Cuban independence.

Costa Rica.—September 15. To commemorate the independence of the republic.

May 1. Commemoration of the repulse of the Filibusters.

October 12. To celebrate the discovery of America.

Dominican Republic.—February 17. National celebration.

August 16. National holiday.

Ecuador.—August 10. To celebrate the Proclamation of Independence.

October 9. Commemoration of the Independence of Guayaquil.

Guatemala.—March 15. To commemorate the accession of the President.

June 30. Celebration of the anniversary of the triumph of the Liberal Revolution, 1871.

September 15. Independence Day of Central America.

Haiti.—January 1. To commemorate the culmination of the efforts of the islanders for their liberty.

May 1. The day of agriculture. To commemorate the admin-

istration of Toussaint L'Ouverture, who induced the natives to adopt a farming life in preference to that of the sword.

Honduras.—September 15. To commemorate the Declaration of Independence of Central America.

Mexico.—May 5. To commemorate the victory of the Mexican forces led by General Porfirio Diaz and General Ignacio Zaragoza over the French at Puebla.

September 15. To commemorate the beginning of the struggle for freedom and the Declaration of Independence.

February 5. Celebration of the anniversary of the publication of the constitution.

Nicaragua.—September 15. To commemorate Independence Day. The Declaration of Independence of Central America.

June 1. To commemorate the beginning of the Civil War, 1893.

Paraguay.—February 3. San Blas Day. To commemorate the miraculous rescue of the Spanish at Corpus Christi from Indians.

May 14. To commemorate the independence from Spain, 1811.

November 25. To commemorate the adoption of the constitution, 1870.

Peru.—July 28. To commemorate the Proclamation of Independence, 1821.

Salvador.—November 5. To commemorate the first attempt for independence, 1811.

September 15. To commemorate the independence of Central America, 1821.

May 3. Arbor Day.

April 29. To commemorate the Revolution of Gutierrez, 1874.

February 3. Festival in commemoration of the Battle of Monte Caseros.

Uruguay.—May 25. Liberation Day. To commemorate the deposition of the Spanish Viceroy, 1810.

May 18. To commemorate the Battle of Las Piedras, 1811.

April 18-19-20. To commemorate the Crusade of the Thirty-Three. Celebrated once every four years, beginning in 1864. The principal celebration is held on the nineteenth.

July 18. To commemorate the adoption of the constitution, 1830.

August 25. To commemorate the Declaration of Independence, 1825.

Venezuela.—April 19. To commemorate the decisive steps towards independence, 1810, by the inauguration of a governing board.

June 24. To commemorate the Battle of Carabobo, 1821.

July 5. To commemorate the independence of Venezuela, 1811.

October 28. To commemorate the Saint's day of Simon Bolivar.

CHAPTER XXI

THE PAN-AMERICAN CANAL. ITS EFFECT ON LATIN AMERICAN TRADE. THE PAN-AMERICAN RAILWAY

Introduction.—The opening of the Pan-American Canal in 1914 marked the completion of the greatest engineering achievement in the history of the world. In the agitation for trade extension during the last decade more frequent reference has been made to the effect of this waterway than to any other single feature. The European War served to increase the interest not only in the Canal, but also in the trade possibilities as a direct result of its construction. The influence of the Canal has thus been both direct or material, and indirect or psychological.

Psychological Effect.—The indirect or psychological effect has been noticeable both in the United States and in South America. Its construction has aroused in the United States a greater interest in Latin America, particularly in the South American republics. This interest extended not only to a study of trade possibilities, but also to the people, their ideals and customs, their history and literature. The discussions regarding the Canal had a very subtle influence in awakening a desire in many men of wealth to visit the Canal during its construction, in order that they might be prepared to take advantage of the opportunities which they expected that it would bring.

The Direct Benefit of the Canal.—One of the direct or material benefits which has resulted from the waterway has been a definite effort made by American manufacturers to obtain a share of Latin American trade, and many manufacturers who have previously made no effort in this direction are either studying the situation or sending representatives for the purpose of soliciting orders. The establishment of American banks has already begun and will unquestionably be followed by a great extension of banking facilities. American capital is being invested in numerous enterprises such as mining, hydro-electric and irrigation projects, railroads and

plantations. The leading commercial organizations of the United States are all seeking the best means of aiding their members in Latin American trade extension, and numerous manufacturers are employing foreign correspondents and creating export departments. In South America the material benefits of the Canal are not yet so marked, but some are already noticeable. The actual benefits of the waterway will be largely confined to the six republics in Central America: Panama, Costa Rica, Nicaragua, Honduras, Salvador, Guatemala; and the republics on the west coast of South America: Colombia, Ecuador, Peru, Bolivia, and Chile. These countries will be particularly benefited by the reduction of time in steamship transportation, but in this respect European lines will be on an equality with American vessels. The operation of light draft barges from Panama to neighboring ports will unquestionably follow as a direct result of the need for more rapid transportation of certain products, since the cities of Colon and Balboa (Panama) promise eventually to become the greatest transshipping ports in the world. The barges will make it possible to develop trading points where today there are no suitable harbors because of the insufficient depth of water.

Trade Possibilities.—The possibilities of trade development can be realized when one considers that within very easy water communication of Colon and Balboa there are 15,000,000 people with a commerce of \$150,000,000 annually. Of this vast total \$85,000,000 represents exports, and \$65,000,000 imports. This business, already large, will unquestionably show a great increase in the next decade and naturally the per capita buying power, which is today very low, will also increase.

The Conditions in General.—The conditions in general on the West Coast, geographically speaking, are much inferior to those on the east coast. The chief cause for this is the Andes Mountains, which occupy a large stretch of territory. The strip between these mountains and the Pacific Ocean is, on the whole, very narrow, and as a result the direct benefits of the Canal will never be as great as would be the case were the conditions on the east and west coasts of South America reversed. The agricultural possibilities of the west coast republics are far inferior to those of eastern South America. They are, however, very rich in certain resources, notably the nitrates of Chile, the tin of Bolivia, the

copper of Peru, and the oil of Peru, Ecuador, and Colombia. Exploitation of the latter resources has just begun, but already the development of the mineral wealth before mentioned has been great.

Capital Causes Development.—Economists are a unit in the opinion that the investment of American capital will result in a great development of the republics on the west coast, even though all that has been hoped for may not be realized. The direct effect of these investments will be reflected in railway construction, which will necessitate machinery, hardware, tools, steel, material for construction purposes—particularly steel and iron—for railways, bridges and buildings in general. Machinery of every sort will be required, particularly for mining and the extraction of metals. The use of small machinery, hardware, tools and implements will likewise increase. These will be used for the development of other resources, such as mines, plantations, hydro-electric plants and the like, for which American machinery and implements will be preferred. All these will be transported at a lower rate than was the case before the construction of the Canal; and the output of the mines, the forests and the soil of these countries will likewise be carried at a lower cost, which will also benefit the producers.

The Indirect Effect of American Investments.—The investments of American capital will naturally make for the growth of American trade with the Latin American republics at the expense of European exporters. However, as the republics are comparatively undeveloped considering their great natural resources, it is not reasonable to expect that trade with these countries will grow in the same proportion as has the business with the republics of eastern South America. One of the great possibilities for the future is the increased earning power of the natives which will result from the greater demand for labor. The per capita buying power of the countries on the west coast in 1930 will be much larger than in 1915. It is because of this possibility that the wise manufacturer will seek to plan his efforts in the most intelligent manner in order to establish a business on a permanent foundation that it may grow in proportion to the development of these countries.

The Pan-American Railway.—One of the projects of interest to Latin Americans is the construction of the Pan-American Railway. It was launched by Hon. Jas. G. Blaine, who recognized its enormous possibilities and who had for advisers in the matter a number

of prominent railroad men. The Pan-American Railway, when finished, will have a length of about 10,000 miles and will be an intercontinental railway route to connect New York with the southernmost point in Chile or Argentina. The number of miles already constructed which can be utilized in the development of the system approximates 6,500, leaving for construction about 3,500 miles. Until the outbreak of the Mexican Revolution it was possible to make a journey by rail from New York to the northern boundary of Guatemala, and additional links are already in course of construction in many of the countries.

Coöperation of the Governments.—The various Latin American republics have taken a deep interest in the project which has been the subject of discussion at the various Pan-American Conferences. Its influence upon the development of the United States commerce with Latin America cannot be exaggerated. Vast territories will be opened to settlement and the regions through which it will pass will be greatly benefited. In the construction of the railway, steel rails, machinery and tools will be employed, while the investment of American capital in the building of the various branches will influence the purchase of American manufactures. Commercial organizations should lose no opportunity to agitate the construction of the lines already projected and the completion of those under way.

CHAPTER XXII

RAILROAD AND STEAMSHIP FACILITIES. THE EFFECT OF STEAMSHIP RATES ON LATIN AMERICAN COMMERCE

Introduction.—One of the topics most frequently touched upon in discussing Latin American trade possibilities is the matter of transportation. It has often been asserted that there has been a serious lack of shipping facilities for the transportation of American products; that the means of reaching Latin America, particularly South America, have been inadequate, and that the foreign steamship lines upon which the United States has had to depend for the transportation of its products to Latin American countries have discriminated against this country in favor of the European exporters. Upon analysis it will be found that business with Latin America, which had already reached a large volume, had always enjoyed good facilities for carriage. It has also been thoroughly established that the pioneers in Latin American trade have not complained of the lack of shipping facilities; they have recognized that ocean transportation is largely a question of supply and demand and that if the business were obtained means would always be found of transporting the goods.

Foreign Steamship Lines.—A large percentage of the shipments to the Latin American republics have been carried in foreign bottoms. A number of investigations have been made to determine whether the charges for transportation favored Europe, but nothing has developed to establish the claim that American shippers are at a serious disadvantage.

Steamship Facilities to Latin America.—Until the outbreak of the European War, which naturally had a demoralizing effect upon transportation and upon all other business, sailings to Latin American ports were frequent. It has been possible to reach the Latin American countries from various ports on the Atlantic seaboard, from cities on the Gulf of Mexico, and from Pacific Coast ports.

A rough outline of the steamer service from this country to Latin America might be made as follows:

1. From New York to the northern coast of South America, including Colombia and Venezuela.
2. From New York to the east coast ports, including Amazon River ports, to Iquitos, Peru, and to the ports in Brazil, Uruguay, and Argentina.
3. Sailings for west coast ports, either via Cape Horn or Colon and Panama, thence west coast steamers; sailings now direct.
4. From New York for Cuba, Santo Domingo, Haiti, etc.
5. From New Orleans for points in Central America, Mexico, and north coast South American points.
6. From New Orleans for west coast points via Colon and Panama.
7. From miscellaneous Gulf ports, including Mobile, Pensacola, etc., for Cuba, the West Indies, Central and South America.
8. From San Francisco for west coast ports of Mexico, Central and South America.

Steamship Lines to Latin America.—In order that the reader may realize the extent of the service to Latin America there is given on page 516 of the Appendix a list of the steamship lines plying to South American ports. There are, of course, many other lines to Cuba, Central America, Mexico, etc.

A Comparison of Freight Rates.—While there are certain lines of manufacturing which are affected by the ocean freight rates, the carriage of numerous products shipped to Latin America is almost negligible. In many instances, it has been shown that the rates of transporting freight from the United States to Latin American countries favor American manufacturers. As examples of some rates, the following may be quoted: from New York to Brazil, a distance of four thousand miles, 15c. per 100 pounds and upward; New York to River Plata, about six thousand miles, 16 to 20c.; to Valparaiso, Chile, a distance of about eight thousand miles, 20c.; Callao, Peru, about ten thousand miles, 25c. These rates are extremely low and are such that they can compete very easily with those of European lines. On manufactures of cotton, the rates to Latin America are lower than those of any nation in the world. Some examples are as follows: from New York to Havana, 12c., plus 2c. extra for lighterage, or a total of 14c.; from Liverpool it

is 19 7/10c. To Callao, Peru, it is 26c. against 40 1/2c. from Liverpool; to Buenos Aires the rate is 10c., against 24 3/10c. from Liverpool; to La Guaira, Venezuela, the American rate is 15c. and the English 28 9/10c.

The Effect of a Lighterage Charge.—One of the items which must be considered in connection with freight rates and in calculating c. i. f. prices is that of lighterage. While it must be taken into consideration, the American manufacturer must realize that in competition with other nations he is at no disadvantage by reason of lighterage charges, inasmuch as it is an item which must be paid irrespective of the origin of the shipment. In many places there are excellent harbors with splendid wharves where no lighterage charge is made. However, on the west coast of South America and Central America there are only a few good harbors; consequently, at most of these ports, lighterage charges are exacted. As an example of such a charge may be cited the following, which is typical: In the republic of Chile merchandise is divided into ten classes. The lighterage charges run from 75 centavos to 20 Chilean paper pesos per 100 kilos. This means that a charge of \$1.78 to \$47.40 per ton (2240 pounds) is made for bringing the shipment from the vessel to the custom house. It is a curious fact that on certain classes of merchandise the lighterage charge is actually in excess of the ocean freight rate for a haul of eight or nine thousand miles.

How to Base Freight Rates.—One of the valuable publications of the Bureau of Foreign and Domestic Commerce is a bulletin issued for the convenience of shippers. This pamphlet contains a series of tables showing the freight rates to New York City from the principal inland points in the United States. Ocean freight rates are also quoted from New York to Guayaquil, Ecuador; Callao and Mollendo, Peru; and to Valparaiso, Chile. Inland freight rates from Guayaquil to Quito, Ecuador; Callao to Lima, Peru; Mollendo to La Paz; and from Valparaiso to Santiago are also given. The rates cover various classes of merchandise, both in carload and less than carload lots. Other valuable details are the charges for lighterage, transfer, etc., at the port of New York and in South American ports. The bulletin is listed among others on page 495 of the Appendix.

How to Obtain Rate Information.—Manufacturers who desire to

obtain information relative to rates, sailings, etc., may do so as follows:

1. From railroad agents (foreign commercial agents, particularly).
2. From steamship lines at ports of sailing (listed on page 516).
3. Forwarding freight agents (listed on page 515).
4. Commercial organizations of which they are members.

It is highly advisable to obtain all the data possible from as many sources as convenient, in order to ascertain not only the lowest freight rates, but the correct forwarding. This includes the consignment of the merchandise to the correct pier in New York City, the most direct steamship line, the most convenient and direct port in Latin America where the best and quickest facilities for importation and carriage into the interior can be assured.

A Useful Publication Concerning Railroads.—The student of railroad conditions in Latin America will find valuable aid in a book which is listed on page 464 of the Appendix.

CHAPTER XXIII

GOVERNMENTAL ASSISTANCE TO AMERICAN EXPORTERS

Introduction.—It is generally recognized that a successful business with Latin America depends upon the individual efforts of the business man. The measure of success achieved is in direct ratio to the care with which markets are studied, the persistence with which the business is pursued, and the satisfaction rendered to dealers. However, the alert manufacturer who is sincere and conscientious in his efforts to build his business on the right basis can find much practical assistance in the service of the United States Government for the development of export trade. The services available are of such a nature that a vast amount of time and a considerable expenditure of money and effort can be avoided if the work already done by the scientific observers of the government is utilized in planning efforts to obtain Latin American business. This work, which is under the direction of the Chief of the Bureau of Foreign and Domestic Commerce, Department of Commerce, may be likened to the assistance rendered the farmer by the Department of Agriculture. While the appropriation for the work of the Bureau of Foreign and Domestic Commerce is still extremely limited in proportion to its importance to the business interests of the country; it is reasonable to believe that the sums appropriated will increase from year to year.

Governmental Service in General.—Commerce with Latin America is promoted by the Diplomatic and Consular Service. Following the custom of specializing, there is today in the Department of Commerce a thoroughly organized Bureau of Trade Relations, one of the chief divisions of which is that of Latin America. The importance of the Diplomatic branch is great, as it consummates commercial arrangements which can be made only through the Foreign Offices of the republics. This is a fact not generally recognized and one that should be remembered by all interested in the promotion of greater business with Latin America. The other branch of the

Service is the Consular, and the value of the latter in the development of trade with foreign countries is widely recognized for the reason that it has a more direct bearing on practical results.

How the Bureau Assists Manufacturers.—The Bureau of Foreign and Domestic Commerce serves manufacturers in a practical way by issuing reports on trade conditions and business opportunities throughout the world. These are compiled by its agents, who are the following:

1. *The consuls.* These are under the direct control of the Department of State to which the consuls report, but all their efforts in a commercial way are directed by the Bureau of Foreign and Domestic Commerce. The work of the American consul is fully outlined in Chapter XXIV.

2. *The commercial attachés.* These are under the direction of the Bureau of Foreign and Domestic Commerce. They serve the commercial interests of the United States in general and report on specific trade opportunities, make complete reports on the general outlook for business, and give all advice possible to enable American manufacturers and merchants to compete successfully with foreign nations. Up to the present time there have been four appointments of commercial attachés to Latin America: namely, to Argentina, Peru, Chile, and Brazil. With the growth of Latin American trade will doubtless come the appointment of other attachés to most of the remaining republics.

3. *The commercial and special agents of the Department of Commerce.* These are attached to the Bureau and work under its direction with no definite assignment to any one post. They are men selected, because of their general export knowledge, to study the possibility for the sale of various articles in different countries. The reports of the commercial agents are gradually increasing in number and within the next few years many important publications will result from their labors. A list of the principal reports already published will be found on page 490.

Work of the Tariff Division.—One of the most important divisions of the Bureau is that devoted to the tariff, which compiles all possible information regarding the tariffs of the countries of the world. Particular attention is given to the tariffs of the Latin American republics. In the publications of this division appear the corrections and changes in foreign tariffs, which are extremely

numerous. It is possible for the American manufacturer who desires information regarding the tariff in any given country to avail himself of this Bureau, which, if it has not on file the necessary data, is in a position to obtain it very quickly. Its chief publications are listed on page 490.

Work of the Statistical Division.—It is only by a careful study of the statistics relating to imports and exports that the extent of the foreign business of the United States can be appreciated. The division of statistics renders an extremely valuable service in the collection and publication of details not only relating to raw materials but also to manufactured goods that enter and leave the United States. This division also watches the imports and exports of other countries, and the study and analysis of foreign trade conditions can be greatly aided by consulting any particular item in its publications relating to commerce.

How the Bureau Collects and Distributes Information.—One of the most valuable services of the Bureau is its collection and distribution of information relating to trade opportunities abroad. This is obtained from various sources, including the Diplomatic and Consular Service, commercial attachés, special agents, etc. It consists of general or specific facts regarding trade. Many American houses have been materially benefited by keeping in close touch with the publications of the Bureau through which this information is disseminated.

Other Work of Commercial Agents.—Governmental assistance in the development of export trade is being more highly specialized. Thus appointments of commercial agents for the study of specific branches of trade are frequently announced, and this part of the service will become increasingly important. The duties of the commercial agents are usually confined to the study of trade opportunities for one, or at most for a few, industries. Because of this fact more valuable reports can be obtained from them than from the Consuls, who are charged with many other duties.

Assignments of some of the commercial agents recently appointed were as follows:

To Central America, for a general investigation of trade opportunities and openings for American exporters.

To the republic of Guatemala, to ascertain the conditions surrounding the sale of clothing, hats, etc.

To South America in general, to investigate the lumber trade conditions.

To the east coast of South America, to investigate the hardware business.

To South America, to investigate the opportunities for: (a) electrical machinery; (b) textiles and wearing apparel; (c) boots and shoes.

To Latin America in general, to learn all possible regarding the opportunities for furniture.

To South America, to study the trade conditions in machinery and machine tools.

The Work of Commercial Attachés.—In addition to the work of special agents, the American exporters may avail themselves of the services of the commercial attachés. The commercial attachés are accredited by the State Department to the embassies and legations of the United States in Buenos Aires (Argentina), Lima (Peru), Rio de Janeiro (Brazil), and Santiago (Chile). Their purpose is the study of the commerce and industries of the countries to which they are assigned, and being charged with no other duties they are thus able to obtain a broader outlook of the problems of extending American trade than can the Consuls, with whom they collaborate. Not being compelled to discharge the routine duties which make it necessary for the Consuls to maintain regular office hours, they are enabled to give the time necessary to painstaking investigation of industries and commercial problems in general, from the broadest standpoint. When necessity arises they are in position to act quickly and obtain needed information in the shortest time.

American exporters, by addressing the Department at Washington, or upon application through the branch offices, can obtain the aid of these experts in the solution of their problems.

Correspondence with Commercial Attachés.—As in the case of American Consuls, requests for information should not be made direct to commercial attachés. In the first place, facts desired by manufacturers are frequently already on file, and can easily be furnished by the Bureau of Foreign and Domestic Commerce in Washington or through one of its branch offices. Secondly, the commercial attachés are not supplied with special clerical assistance properly to answer the numerous inquiries they receive. In

the event that information desired is not in the files of the Bureau, it is promptly obtained.

The reports of commercial agents, when published, are available, and application may be made to the Government Printing Office for them. Many of the findings of the agents are chronicled in *Commerce Reports*, and if found of sufficient importance, they are published separately under the direction of the Bureau of Foreign and Domestic Commerce.

Other Practical Governmental Aids.—Commercial agents, attachés, and consular officers sometimes obtain and forward with their reports photographs, specifications, samples of goods, etc. These are naturally very useful in order to study trade conditions and opportunities, and whenever application is made for such samples they are loaned to responsible manufacturers, either direct or through branch offices of the Department of Commerce.

Branch Offices of the Bureau.—For the purpose of increasing its efficiency, the Bureau of Foreign and Domestic Commerce has established branch offices in New York, Chicago, St. Louis, New Orleans, San Francisco, Seattle, Atlanta, and Boston. (For addresses see page 547 of the Appendix.) This step was taken in order that the manufacturer who wishes to extend his export business may be more closely in touch with the Bureau, and in order to obviate the delays which are inevitable if information is asked by correspondence. Each branch is in charge of an expert and there are available therein complete files of the *Commerce Reports*, besides commercial reports on specific commodities, samples, plans, specifications, etc., received by the Bureau from its agents abroad. The manufacturer who wishes to obtain information regarding the sale of a particular product may apply to the special agent of the Bureau. There is no charge whatever, and all that is necessary to avail oneself of this service and to obtain coöperation in studying trade opportunities is to keep in touch with the agent.

Specialized Information of the Bureau.—One of the most important services of the Bureau, which is available to every business man, is its coöperation work, and its dissemination of information relating to specific commodities or business opportunities in different places. Through its correspondents, the consular agents and commercial attachés, the requirements of dealers are ascertained. Not infrequently it happens that, in order to take advantage of

these opportunities, quick notification of manufacturers is necessary. Manufacturers and exporters who have notified the Bureau of their interest are informed of the opportunities by special confidential bulletins or telegrams.

Contents of Commerce Reports.—The Bureau publishes daily an organ known as *Commerce Reports*; this is the successor of a publication which was called the *Daily Consular and Trade Reports*. It contains the information already referred to and is extremely valuable in the development of an export trade. While *Commerce Reports* necessarily contains information relating to trade opportunities throughout the world, a considerable portion of it is devoted to information regarding business in Latin America.

The annual reports made by the American Consuls to the Department of State, relating to conditions of trade in their districts, are also published annually. On account of the interest being manifested, the reports are being classified so that those relating to Latin America may be obtained separately.

The *Commerce Reports* is sent free of charge to newspapers, business organizations and trade journals. Manufacturers or merchants who desire to subscribe may do so at the rate of \$2.50 per year. Subscriptions may be sent to the Superintendent of Documents, Government Printing Office.

The Distribution of Commerce Reports.—Many thousands of copies of *Commerce Reports* are distributed daily. Consular officers frequently submit reports, upon receipt of which multigraph copies thereof are distributed. The character of the reports, sometimes, is of such a nature that it is deemed inadvisable to print them, and the reports are then loaned in manuscript, in confidence only, to American firms. When documents accompanying reports are useful, they are sent to interested concerns. The most modern means are adopted to make the information obtained in this way available to the largest number of individuals in the shortest time.

American Trade Watched by Attachés.—As an indication of the care with which American export interests are being considered by the commercial attachés may be cited the request of the Department of Commerce that trade journals be sent to commercial attachés in addition to the American Consuls.

Coöperation with Commercial Organizations.—The Department of Commerce, through the Bureau of Foreign and Domestic Com-

merce, is now coöperating in a very definite manner with commercial organizations. This consists in making arrangements with commercial bodies who appoint for the purpose a person whose functions correspond largely to those of the branch agents of the Bureau.

This coöperation will make for the utmost efficiency inasmuch as the local organizations will thus be able to avoid delays and will also be able to furnish the information of interest to manufacturers.

As outlined by the Chief of the Bureau, the mutual obligations on the part of the business organizations and the Bureau of Foreign and Domestic Commerce are as follows:

OBLIGATIONS OF LOCAL ORGANIZATIONS

1. The local organization shall establish a foreign trade bureau.
2. This foreign trade bureau shall be under the direction of the governing board of the organization, which shall be given power on behalf of the organization to enter into such agreements as may be necessary.
3. The executive direction of this work shall be in the hands of a man who shall devote his entire time to it, and he shall be provided with such clerical assistance as may be necessary to prosecute his work effectively.
4. The work which is being carried on shall at all times be open to the inspection of the officers of the Department of Commerce.
5. The foreign trade bureau shall render regular monthly reports of a form to be prescribed by the Bureau of Foreign and Domestic Commerce.
6. The foreign trade bureau shall make at its own expense a complete copy of the "Exporters' Index" for its section of the country. This index shall be kept up to date and additional data transmitted to Washington.
7. The foreign trade bureau may be called upon to make reports on specified subjects. It is understood, of course, that such service will not be called for to any considerable extent.
8. The foreign trade bureau will be expected to receive and entertain (arrange conferences and meetings for) visiting commercial attachés, commercial agents, and consuls, on leave in this country.
9. The service rendered by the foreign trade bureau will not be

restricted to the members of the organization, but will be freely given to all citizens residing in the territory of any particular bureau.

SERVICE OF THE BUREAU

1. The Bureau of Foreign and Domestic Commerce will place at the disposal of the man who is delegated to do this work every facility of its Washington office and its branch offices, for purpose of study. This will enable him to gain a complete idea of the facilities which the Bureau has to offer, and will also put in his hands the tools with which to work.

2. The Bureau of Foreign and Domestic Commerce will furnish the local bureau with all the information distributed by it. This will include:

- (a) The details and addresses of "foreign trade opportunities."
- (b) Photostatic copies of plans and specifications which have been sent heretofore only to branch offices of the Bureau.
- (c) All confidential circulars issued by the Bureau.
- (d) Telegraphic trade opportunities which have been received by cable.

3. Ordinarily the information which the Bureau can furnish in answer to an inquiry is arbitrarily limited. This is necessary, not only on account of the great volume of requests but also because of the limited force of the Bureau. On account of the large number of manufacturers who would be reached through the local organizations, requests from them will receive more detailed and unlimited attention.

4. The Bureau of Foreign and Domestic Commerce will furnish each local organization with a complete, so far as available, set of the publications of the Bureau.

5. The Bureau will establish in coöperation with the Superintendent of Documents in each of the local organizations a supply of its publications which are for sale and which will be a convenience to local manufacturers in obtaining the desired information.

6. All samples which are received by the Bureau from its agents in the field will be sent to the local foreign trade bureaus for exhibition.

With the plan in operation it is possible for the manufacturer in any particular district to obtain service almost identical with that of the branch offices of the Department.

Publications of the Department.—The Bureau of Foreign and

Domestic Commerce issues a number of publications which are invaluable to those who are interested in Latin American commerce. The principal ones are as follows:

1. *Commerce Reports.*

- (a) Cable reports of important trade information.
- (b) Consular reports dealing with conditions in particular lines of business.
- (c) Reports from commercial attachés.
- (d) Reports from commercial agents.
- (e) Summarizations of the latest statistical information on foreign trade.
- (f) Important announcements of the work of the Department of Commerce.
- (g) List of American Consuls temporarily in the United States, with addresses.
- (h) Foreign trade opportunities.
- (i) Proposals for government supplies.

2. *Supplements of Commerce Reports.* Annual reports of American consular officers dealing with trade conditions in their districts.

3. *Special Agent Series.* Reports of the commercial and special agents of the Bureau, dealing with particular lines of business in various sections of the world.

4. *Special Consular Reports.* Collected reports of American Consuls, usually on some one particular line of industry.

5. *Tariff Series.* Reports dealing with customs tariffs, consular regulations and trade-mark laws of foreign countries.

6. *Statistical Publications.*

- (a) Monthly summary of commerce.
- (b) Commerce and navigation (annual).
- (c) Statistical abstract of the United States.

Methods of Distributing the Reports.—Any manufacturer or business man who desires to receive the publications of the Bureau will, upon application, be placed on the mailing list or Exporters' Index of the Bureau, and he is invited to indicate to which countries he wishes to export and the articles he cares to sell. Any information of interest regarding such articles is communicated to him.

How to Obtain Publications.—The Department of Commerce through its division of publications publishes twice a year a pam-

phlet entitled "List of Publications of the Department of Commerce available for distribution." This list contains the titles of all the publications, besides full instructions for obtaining them, and condensed information concerning the scope of the publication work of the Department. In addition, there is issued monthly a list of publications becoming available during the month. These valuable pamphlets may be received regularly by making application to the Chief, Division of Publications, Department of Commerce, Washington, D. C. No charge is made for them.

The Bureau's Directories.—With the assistance of the American Consuls and commercial agents, there have been published several directories of Latin America. These contain the names of prospective or possible buyers of American products in foreign countries, besides export agents, etc. They are listed on page 504 of the Appendix.

CHAPTER XXIV

AMERICAN CONSULS. THEIR SERVICE TO EXPORTERS

Introduction.—The Consular Service, though under the direction of the Department of State, serves the Bureau of Foreign Commerce of the Department of Commerce.

In the upbuilding of trade with Latin America the American Consuls have been exceedingly important and have rendered invaluable aid. Although the Consular Service was formerly subjected to considerable criticism because many of the appointments were made to discharge political debts, it has now reached such a high degree of efficiency that it may be said to compare very favorably with, if not to equal, the Consular Service of any foreign country. The bill which was passed by the 63d Congress, whose session ended in March, 1915, placed the Consular Service on a strictly merit basis, and the result has been to strengthen further this important department. There is no doubt that because of this law an increasingly large number of men of recognized ability will seek appointment as Consuls, and this department will develop a more efficient personnel than it already possesses.

The Present Facilities of the Consuls.—During the last few years there has been a marked improvement in the facilities placed at the disposal of American Consuls by the United States Government, but there is room for greater improvement. It is reasonable to believe, however, that the aid extended by the Government will be materially increased in order that Consuls may render still more useful service than in the past.

Outline of the Consular Service.—The Consular Service in Latin America consists of Consuls General, Consuls, and Consular Agents. Besides these there is a Consul at large, whose duties are those of a general supervising agent and inspector at large for the Department. In each of the republics there is a Consul General, whose headquarters are in the capitol. Consuls are assigned to

the more important places. In the remote points Consular Agents serve the government as representatives. The latter are not necessarily Americans, frequently being natives or other foreigners. A complete list of the American Consuls in **Latin America** and their stations will be found on page 522.

The Chief Service of American Consuls.—The American Consul acts as the general representative of the American Government in the district to which he is assigned. His paramount duty is the maintenance and promotion of the rightful interests of all American citizens and their protection in all the privileges provided for by treaty or conceded by usage.

The Duty of Consular Officers.—The Consuls are charged with many other duties. Among these are the shipment and relief of American seamen; the adjustment of difficulties in which the latter may find themselves; the making and forwarding of consular invoices covering shipments to the United States; the issuance of proper papers for ships bound to American ports, etc. With respect to foreign trade, the activity of Consuls is of but comparatively recent origin, but this branch of their work has become extremely important. Every consular officer of the United States is now expected to have an intimate knowledge of conditions of the trade and commerce in the particular district under his jurisdiction. He is expected to keep the Bureau of Foreign and Domestic Commerce fully advised of all matters of interest relating to industry, commerce and agriculture in the country, or that part thereof, to which he is assigned. He is expected to report promptly any new markets for American manufactures and products; to investigate opportunities for the sale of American goods; and to examine into specific trade problems that may be referred to him for consideration. He is also expected to aid American commercial travelers by every means in his power.

What American Consuls May not Do.—Under the rules of the Department of State, American Consuls are forbidden to supply any information relative to credit standing of firms or individuals in their districts. They are likewise forbidden to collect claims or to take any action which might result in friction between themselves and natives of the countries to which they are accredited. An American Consul cannot be expected to act as a salesman for an American manufacturer since he must maintain the dignity of

his office and naturally can take no action which would reflect upon it or which would cause other Consuls or the people to lose respect for him and the United States Government.

What not to Expect.—Many American manufacturers misunderstand the services that can be rendered by American Consuls. The latter have every right to resent advertising circular letters sent them by American firms which seem to assume that they are in business. They are not permitted to maintain sample rooms and are unable to give more attention to one firm than to another.

It is unreasonable to expect Consuls to be possessed of expert information upon every conceivable topic and article; and all that can be asked is that they shall endeavor to obtain the desired information from the most reliable sources.

The Chief Duties of Consuls.—Consuls are constantly being called upon to answer inquiries regarding trade opportunities in their districts. Their chief service is to aid, in the most practical way, the establishment of relations between known commercial houses and American business men.

Among their successful efforts in this direction have been the following: the circulation of letters among leading merchants and trade organizations, offering the services of the Consuls in obtaining prices, terms, and discounts for articles for which it seemed practicable to establish a sale; the coöperation of Consuls with leading trade organizations of their districts in whose bulletins announcements of the Consul are widely circulated; the insertion of paid advertisements announcing the fact that trade directories, catalogs, and information regarding American products were available at the consulate.

How to Write to American Consuls.—In order to save time in both the transmission and reply, letters to Consuls should be absolutely specific in nature. The exact problem of the manufacturer should be stated in concrete manner that the Consul may know immediately just what is desired. Consuls frequently complain that inquiries received by them are not carefully worded, and that it is necessary to exchange two or three letters before an intelligent reply can be given.

It often happens that Consuls are unable to obtain required information because of the fact that persons from whom it must be

obtained deliberately conceal the facts for reasons of self-interest.

Consuls are also frequently annoyed with indefinite letters relating to trade opportunities referred to by them in *Commerce Reports*. When American exporters seek to take advantage of such opportunities, their answer should meet every possible condition and their quotations should be c.i.f. If such a quotation cannot be made, at least the freight rate should be obtained and stated in the letter.

Circular letters sent indiscriminately to all the Consuls are greatly to be discouraged, inasmuch as the conditions in consular districts vary greatly. If letters must be sent to Consuls, they should concern themselves only with the particular district to which they are mailed.

Manufacturers and importers occasionally send inquiries to consular offices relative to trade opportunities, accompanied by blank forms which they wish filled in and returned. When such blank forms are sent they should be forwarded in quadruplicate, inasmuch as the Consul is invariably compelled to supply the Department of State with two copies of every report made by him.

How Consuls Should Be Addressed.—Letters to Consuls should be addressed as follows: American Consul—City—Republic.

When communications are addressed to a Consul with his personal name, they are, in his absence, forwarded to him unopened, and as a result there is considerable delay. In the event that he has left the Service, important matters may never receive any attention.

Postage should be fully prepaid and when answers are expected, there should be inclosed an international post office coupon. While Consuls are allowed a certain fund for postage, the number of letters which the Consul must answer frequently exceeds the sum available and, for that reason, letters of inquiry should include postage to cover return. Many letters addressed by American manufacturers to Consuls could be avoided if the information were requested of the Bureau of Foreign Commerce, Department of Commerce.

Carding American Inquiries.—Because of the receipt of numerous letters at American consulates from individuals who wish to ascertain whether certain American firms are represented or to learn the names of the different brands of American goods, the

Consuls are requesting American manufacturers who are so represented to advise them accordingly. The Consul General at Buenos Aires recently asked that manufacturers who are represented in Argentina send to him for record two cards, size 5 inches by 3 inches, containing the following information:

No. 1	No. 2
The Article	Name of American manufac-
Trade-mark	turer or exporter, address
Name of American manufac-	Article
turer or exporter, address	Trade-mark
Name of local representative, address	Name of local representative, address

He also suggested that American manufacturers with purchasing agents in Argentina should forward two similar cards, one headed by the name and address of the importing house, followed by the article or articles, both in the name of the local purchasing agent; the second card headed by the name and address of the local purchasing agent, followed by the article or articles imported and the name of the American exporter.

How to Request Information.—American Consuls frequently find the requests for information received from manufacturers extremely vague. One of them has suggested the following list in order that the Consul may render the most intelligent service:

1. If similar goods are sold what are the prices quoted?
2. What is the import tariff?
3. In what manner should merchandise be packed?
4. Give rates and discounts of competing countries.
5. Best way of transportation with freight rates.
6. Are consular invoices needed? How should they be made out?
7. What are the fees charged by customs brokers for making entry?
8. Are there any other charges?
9. In what language should correspondence be conducted?
10. Is there a duty on catalogs?
11. What sort of action do you recommend for the introduction of merchandise?

Coöperation with Consuls.—Consuls are desirous of coöperating with American merchants and exporters and they should be kept posted as to the success or failure met with in handling foreign trade opportunities found in the *Commerce Reports*.

Important results of such consular coöperation are of daily occurrence. Many American firms who have taken advantage of the trade opportunities outlined by Consuls have been able materially to increase their business. Consuls frequently inform business men of opportunities in their districts, as a result of which they are enabled to make sales. In such instances the successful concern should inform the Consul responsible for the original information, since the latter will naturally feel a greater interest and may be even more successful in promoting the sale of other American manufactures.

How Consuls Can Assist Commercial Travelers.—One of the services which a Consul can render, and of which the commercial traveler should not fail to avail himself, is that of furnishing information regarding local conditions in a particular branch of trade. The representative of an American house, before making any visits to merchants, should call upon the Consul for an interview and for advice and suggestions. These, by reason of the Consul's knowledge, will be found valuable and will often save much time and expense. Consuls frequently complain that they are unaware of the presence, in their districts, of agents or traveling representatives of American firms. They often hear of opportunities for the sale of American manufactures and if the agent makes himself known they are in a position to aid him very materially.

Another service which the Consul can render the traveler is to obtain for him entrée to the clubs and the best social and business circles. For this purpose proper credentials are needed, and such introductions are invaluable as they greatly influence trade.

Sending Catalogs to Consuls.—In almost every consulate in Latin America are found the catalogs of American manufacturers. These are used more frequently in some consulates than in others and the value of such distribution depends upon the individual efforts of the Consul to whom they are sent. Generally speaking, the sending of catalogs to Consuls is unproductive of results, because of the fact that importers and manufacturers in Latin

America only infrequently ask Consuls for information, depending upon the personal visits of salesmen and their established commission house arrangements. However, when catalogs are forwarded to American Consuls they should invariably be accompanied by a price list and discount sheet, for the reason that otherwise they are of no value.

The Distribution of Catalogs by Consuls.—Business houses sometimes send catalogs to Consuls in Latin America to be distributed to persons interested. Such catalogs are frequently forwarded with no provision whatever for postage or the expense of distribution. Consuls should not be expected to distribute catalogs; when they are sent to be placed with firms who may be interested, provision should be made for the expense of their delivery.

Consuls Should Be Furnished Names.—When corresponding with Consuls regarding the distribution of catalogs, the manufacturer should inclose a list of the dealers to whom catalogs have been sent direct. In the event that there have been any omissions, they will be quickly noted. In the case of periodicals, a list of the subscribers in a given town or district should be supplied the Consul who can then more intelligently distribute surplus copies.

Catalogs in Consular Libraries.—It is interesting to mark the difference in the efficiency of American consular representatives, particularly in the matter of catalogs and booklets. Occasionally Consuls report that libraries of catalogs are of no avail and but infrequently consulted. On the other hand, many Consuls have been able to obtain remarkable results in furthering export trade interests. Generally speaking, it will prove advantageous to forward to Consuls catalogs accompanied with full details regarding terms, commission discounts, etc., that any information desired may be supplied upon demand. The greatest problem in connection with catalogs sent to Consuls is to make them really useful. Because of this, a number of Consuls, for the purpose of arousing the interest of business houses in their districts, have prepared printed or typewritten lists of the catalogs sent to them. These lists are distributed among prospective buyers and the plan has often had good results.

The Use of Trade and Technical Journals.—Many Consuls find it advantageous to receive trade and technical journals which, after being read in the consulate, are placed on the reading tables

of the larger clubs. The journals are distributed according to the character of the members of the organizations. The value of advertisements in these publications is thus increased, as such distribution makes it possible for a larger number of prospective buyers to see the advertisements than would otherwise be the case.

How Consuls Advertise for Trade Inquiries.—Some Consuls have adopted the policy of advertising in order to bring to the attention of possible agents and importers the advantages of American manufactures. In such consulates, when letters are received from American manufacturers who wish to establish trade relations, they are listed for advertisement in the principal papers, the editor of which has allowed the Consuls sufficient space for the purpose. The "opportunities" are numbered and appear in the papers for a certain number of days. Experience has proved that the scheme is very successful and many individuals have sought the Consuls because of the advertisements. The names of those interested are then properly indexed on cards, and these inquiries are then used as the basis for "trade opportunity" reports, which appear in the *Commerce Reports*, bringing the matter to the attention of the manufacturers of the United States.

As a concrete example of this work may be cited the experience of the Consulate General at Rio de Janeiro. As a result of the effort of the Consul General at that point, the *Journal do Comercio*, one of the leading papers of Brazil, publishes in its commercial section, free of charge, the names and addresses of American firms seeking trade with Brazil, which are supplied by the American Consul. As the lists appear two or three times weekly the value to American exporters of this service will be readily appreciated, particularly as this paper reaches the most influential importers and agents.

Other Uses of Catalogs Sent Consuls.—Frequently, upon request, and as often without definite suggestion, Consuls arrange to place the catalogs sent them in the local Chambers of Commerce or in the reading rooms of clubs frequented by merchants and importers. Such distribution is very valuable, as it reaches the individuals who are particularly interested.

Consuls Require Advertising Matter in Language of Country.—Catalogs and price lists sent to American Consuls in Latin Amer-

ica should be printed in Spanish, except in the case of Brazil where Portuguese should be used, and of Haiti in which French is spoken. When Consuls are approached for information relative to American manufactures and products, they are unable to lend the fullest assistance unless the catalogs sent them are in the language of the people.

Payment of Duties on Samples Sent to Consuls.—Many American houses frequently send samples of their products to American Consuls, with the desire that they be placed in the hands of importers or merchants who would likely be interested. The regulations relative to samples differ in the various republics, but as a general rule samples which are not salable are admitted free of duty and on all samples which are salable duty is collected. In many instances consular officers have had to pay duty on parcels only to find that they were of no use. As no fund is provided for such payments, the losses were personal ones. When American manufacturers wish to send samples to Consuls (or even to dealers), they should ascertain in advance the duty thereon and an international post-office money order or draft should be remitted to cover the duty which may be incurred.

Displays of Samples in Consulates.—Although the regulations do not authorize it, in a number of consulates arrangements have been made to display articles forwarded by American manufacturers in order that they may attract the attention of local importers. Some Consuls keep on display samples sent them until arrangements have been concluded for local agencies.

The Value of Conferences with Consuls.—From time to time American Consuls return to the United States on visits. While in this country the Department of Commerce expects them to co-operate in every possible way with commercial bodies and individual manufacturers who may wish to confer with them in reference to trade extension. The presence of Consuls who are in the United States is made known through the *Commerce Reports*, and secretaries of business organizations should carefully note the advantage of personal contact with these representatives.

A Valuable Service of Consuls.—One of the most useful services rendered by American Consuls is available to manufacturers. This

is the reporting of specific opportunities for making trade connections. A reading of *Commerce Reports* will be found productive of results if proper use is made of the information given.

List of Consulates.—A list of the American consulates in the Latin American republics is given on page 522 of the Appendix.

CHAPTER XXV

ORGANIZED EFFORTS FOR PAN-AMERICAN COMMERCIAL RELATIONS. THE PAN-AMERICAN BUREAU. CONFERENCES, CONVENTIONS

ORGANIZED EFFORTS FOR PAN-AMERICAN COMMERCIAL RELATIONS

Introduction.—Within the last decade, much organized effort has been devoted to the upbuilding of American trade with Latin America. Generally speaking, this effort has been directed through the following channels:

1. United States Government: Department of Commerce, Bureau of Foreign and Domestic Commerce.
2. The Pan-American Union, Washington, D. C.
3. Organizations such as the Philadelphia Commercial Museum, the National Association of Manufacturers, the American Manufacturers' Export Association, etc.
4. Business organizations such as the Chicago Association of Commerce, the Latin American Foreign Trade Association (now the Business Men's League of St. Louis), Chambers of Commerce, Business Men's Leagues, and trade bodies in general.
5. Foreign trade conferences and conventions.

The Pan-American Union.—The Pan-American Union is a confederation of twenty-one nations under the official title, "The International Union of the American Republics," being composed of all the independent nations of the Western Hemisphere. It was founded in 1890 and its chief object is the development and conservation of commerce and polity among the American republics. It is an independent international institution, not a subordinate Bureau of the United States Government. Its governing board is composed of the diplomatic representatives in Washington of the Latin American governments, and the Secretary of State of the United States. This board elects a Director General and Assistant Director.

The Union in Trade Development.—The Pan-American Union, through correspondence with manufacturers, exporters, and importers in the United States and Latin America, advises them regarding trade opportunities and conditions in the various American republics. It answers annually thousands of letters relating to Latin America. It supplies newspapers and special writers, lecturers, and students with information desired regarding the various phases of history and political, social, educational, and general progress of the American nations.

It advises capitalists and investors concerning opportunities for developing resources, building railroads, and starting new industries.

It informs mining, hydraulic, and electrical engineers relative to the obtaining or operating of mines, the building of water power plants, and the establishment of electrical power and light plants.

It supplies information to agriculturists, laborers, and emigrants concerning farms, conditions of employment, and homes in the new lands. It advises lawyers concerning the laws, codes, and statutes of each republic.

It supplies information to libraries and authors, relative to books and writers of the American nations.

The Pan-American Bulletin.—The Union publishes a monthly journal, the *Pan-American Bulletin*, a magazine of two hundred pages, which has a circulation of about five thousand copies. The *Bulletin* contains articles of interest relative to conditions in Latin America, a review of articles that appear in the magazines concerning Pan-America, a series of Pan-American notes which are not otherwise available, the subject-matter of consular reports, the reviews of the commerce of the various republics for the past fiscal year, articles and notes regarding the commercial conditions, and other interesting items of many kinds. This publication may be obtained at the following rates:

English edition.....	\$2.00
Spanish edition.....	1.50
Portuguese edition.....	1.00
French edition.....	.75

Subscriptions to the *Bulletin* may be addressed to the Pan-

American Union, 17th and B Streets, N. W., Washington, D. C.

Other Publications.—The Union has compiled a series of monographs relating to the American republics, which answer in succinct form two-thirds of the questions that the average person may wish to know relative to a country which it is desired to visit, in which capital may be invested, or with which it may be desired to establish business relations. The Union also prepares and publishes a comprehensive variety of books and pamphlets relating to the American republics. For a list and prices see page 488.

Library Maintained by the Bureau.—The Union maintains a very large library, known as the Columbus Memorial Library, where there are approximately thirty thousand volumes, constituting a valuable collection relating to the American republics. It also subscribes for the leading reviews, daily newspapers, and official gazettes of the Latin American countries.

Work of the Bureau with Trade Bodies.—One of the valuable services rendered by the Union is its close relation to Chambers of Commerce and other commercial organizations in North and South America. It disseminates through these channels useful information relative to trade conditions in the various American republics, and obtains from them much valuable data.

The Maintenance of the Bureau.—The Bureau is essentially an international institution, maintained by contributions from the Latin American countries and the United States. The contributions are based in proportion to the population, always including the United States in the calculations. The basis is now \$125,000, and the proportion of the Latin American countries is \$50,000.

The Directors.—The Director General of the institution is Hon. John Barrett, to whom, in a large measure, the efficiency of the Union is due. The Assistant Director, and also Secretary of the Governing Board, is Francisco J. Yanes, a Venezuelan by birth but long associated with the Union in responsible positions.

The Home of the Union.—The new building of the Pan-American Union in Washington is a notable and beautiful edifice which cost, including the ground, approximately \$1,000,000. Three-fourths of this sum was contributed by Mr. Andrew Carnegie, while the remainder, together with the quotas of the other republics, amounted to about \$250,000.

Organizations for Foreign Trade Development.—The factor of

greatest importance in the development of business with Latin America is individual effort and no manufacturer can possibly hope to achieve success who does not recognize this fact. Within the last decade business organizations, Chambers of Commerce, and trade bodies of various kinds have agitated the extension of American trade with Latin America. Unfortunately, much of the agitation has taken the form of enthusiastic banqueting, the passage of resolutions, and a considerable amount of unintelligent effort. There are, however, a number of organizations which have rendered extremely valuable service and will continue to do so by reason of the experience they have already gained. Many of the important export successes of large manufacturing establishments are due to the coöperative assistance rendered by such trade bodies. Among the most important may be mentioned the following:

1. Philadelphia Commercial Museum.
2. National Association of Manufacturers.
3. American Manufacturers' Export Association.
4. Business Men's League of St. Louis (Foreign Trade Bureau—formerly Latin American Foreign Trade Association).
5. Chicago Association of Commerce.

The work of these organizations is described under the appropriate head.

The Philadelphia Commercial Museum.—The Philadelphia Commercial Museum was one of the pioneer organizations in the development of business with Latin America. It was established in 1894, and is maintained by contributions from the State and the municipality, and by the memberships of individual manufacturers.

Services of the Philadelphia Commercial Museum.—The Foreign Trade Bureau of the Philadelphia Commercial Museum renders to its members the following services:

1. It publishes an export trade paper called *Commercial America*, which contains information of interest to the foreign buyer. The Spanish edition is circulated in Latin America. In this publication is carried a classified list of manufacturers, and included in this list are the names of the members of the Foreign Trade Bureau and advertisers. The publication also contains a column headed, "Foreign Agents Wanted for American Goods."

The names of advertisers are published under this heading and advertising nonmembers may also use it.

2. The Bureau issues a weekly export bulletin which includes inquiries received from foreign firms for American-made goods, together with general export news items, changes in tariff, trademarks, and patent laws, travelers' regulations, business suggestions and trade openings, a schedule of mail and freight, steamship sailings, etc.

3. The members of the Bureau are supplied information concerning all matters bearing upon the development of business in any foreign country.

4. It replies to specific inquiries covering such questions as consular invoices, customs regulations, and duties, and more general matters such as the character and possibilities of particular markets.

5. It answers specific inquiries for credits and supplies information regarding foreign firms.

6. Translates business correspondence into or from any commercial language.

7. Prepares reports on commercial conditions, business opportunities, and new enterprises.

8. Supplies publicity for the manufacturer's name and his products by means of typewritten and printed lists circulated among foreign buyers of American goods.

9. Supplies assistance in collecting accounts of delinquent foreign buyers, at nominal charges.

10. Renders assistance in securing reliable agents in any foreign country.

Basis of Service of the Commercial Museum.—The service is based either on outright memberships or advertisements in its organ, *Commercial America*.

The terms for information regarding foreign firms are as follows:

With contracts for \$200—50c.; \$300—75c.; \$450—\$1.25; \$800—\$2.50.

The translation of business correspondence on the following basis:

With contracts for \$200—50c.; \$300—75c.; \$450—\$1.25; \$800—\$2.50.

Translations are charged for by the Museum at 15 cents per hundred words from foreign languages into English, 25 cents per

hundred from English into foreign languages. These prices do not include circulars nor catalog matter, for which there are other charges.

The cost of advertising in the Museum's organ, *Commercial America*, is as follows:

One full page with service, \$800; Half-page, \$450; Quarter-page, \$300; Eighth-page, \$200.

Membership in the Museum is not confined to one state, but service is also being rendered to firms in almost every large city of the United States; any manufacturer, anywhere, is eligible for membership. The Association maintains a library, which contains 50,000 volumes and is extraordinarily complete in the matter of commercial works of reference, documents, and consular reports of foreign Governments, etc. Its home is in a large building on 34th Street, below Spruce.

The National Association of Manufacturers.—The National Association of Manufacturers, New York, was founded in 1895. It now has a very large membership and one of the important services it renders its members is in its Department of Foreign Trade. The work of this organization is similar to that of the Philadelphia Commercial Museum. The Association also publishes two organs for circulation in English and Spanish speaking countries, one called *Export American Industries*, the other (the Spanish edition), *Industrias Americanas*.

The Chicago Association of Commerce.—The foreign trade division of the Chicago Association of Commerce was one of the first organizations to carry on concrete work in the development of foreign trade. It established in the city of Buenos Aires a branch office for the purpose of serving the interests of the Chicago market in that city and in the republics of Argentina, Brazil, Uruguay, Chile, etc. This office is now conducted by the Department of Commerce, Bureau of Foreign and Domestic Commerce.

The Work of the Association in South America.—The Association's office in South America is of assistance to its members in the following ways:

1. Obtaining agents and placing lines of goods to the best possible advantage.
2. Obtaining general and local salesmen for members.

3. Securing information relative to the possibilities for the sale of its goods by members.

4. Missionary work for the purpose of emphasizing in the Latin American market the superiority of American manufactures.

5. The establishment of sample rooms for members, with an exhibition of merchandise. The sample room representation has been at the expense of individual members who have taken advantage thereof.

Other Services of the Foreign Trade Division.—In addition to continuing a foreign trade representative residing in Buenos Aires, the Association has recently established the office of Foreign Trade Commissioner in connection with the Chicago staff of the organization. The duties of the foreign trade commissioner are to render every possible service to members of the Association who are interested in the subject of foreign business, and to put such individual members in touch with foreign requirements and business opportunities, not only in South America but also with the whole world outside of the United States. The manufacturers who had representation in the sample room of the Association in Buenos Aires arranged therefor on the basis of paying the expenses incidental to representation, in addition to their Association membership dues.

How the Association Extends Its Usefulness.—Recently the Association, recognizing that its field of usefulness might be expanded, decided to extend the privilege of becoming sustaining members of the foreign trade division to manufacturers in the states of Michigan, Ohio, Indiana, Kentucky, Illinois, Wisconsin, Minnesota, Iowa, and Missouri.

The Cost of Membership.—The cost of a sustaining membership of the foreign trade division is \$10 annually. The cost of representation in the exhibition in Buenos Aires is dependent upon special conditions. The address of the Association is 10 South LaSalle Street, Chicago, Illinois.

Massachusetts Trade Board.—This organization was established under the auspices of the Massachusetts State Board of Labor and Industry in October, 1914, its purpose being to enlarge the markets of Massachusetts' manufacturers. It coöperates with the various government bureaus; the principal business organizations in foreign countries; domestic importing houses, foreign importing

houses, and other sources of trade opportunity and information. For those manufacturers who have no facility for initiating foreign business, the Board provides a translation service, financial records of foreign firms, special reports on foreign markets, lists of suitable agents abroad, and numerous other services. Its office is in Boston.

American Manufacturers' Export Association.—The American Manufacturers' Export Association, Manhattan Life Building, 66 Broadway, New York, was incorporated in 1911 with the prime object of fostering foreign trade. It is coöperative in nature and maintains very close relations with the United States consular representatives abroad, Chambers of Commerce and other commercial bodies in foreign countries. It likewise possesses correspondents throughout the world and advises its members of business opportunities and developments abroad. It publishes a monthly bulletin, issued exclusively to its members, in which much information is given on topics of practical interest to exporters. It also arranges monthly luncheons, on which occasions speakers, usually authorities on their subjects, address the members, and opportunity is afforded those present to ask questions and to participate in a general discussion. An interesting feature of the Association's work is an employment bureau limited strictly to the export field. The Secretary of the Association maintains a file of applicants for positions whose qualifications and references are carefully investigated. Members can obtain in this way the services of reliable and experienced men in the export field. The Association likewise investigates projects of a questionable nature and warns its members against the dishonest or unscrupulous individuals who seek to take advantage of American business men. As far as it is possible, members are advised of the contemplated visits of foreign merchants to New York, and their names and addresses are provided.

Other Services Rendered.—Other features of the work are the collection of drafts on foreign countries by special arrangement with the bankers of the Association. Members are given the privilege of receiving free information on questions requiring expert judgment and advice in connection with the forwarding of shipments. A certain number of credit reports are also supplied. The Association maintains a list of patent and trade-mark agents, and

coöperates with its members in obtaining special rates through a New York firm. It also helps, through its local forwarding connections, to supply c.i.f. quotations to all ports of the world. It aids its members in obtaining lists of competent translators as well as printers who specialize in foreign languages. The membership, costing \$50 yearly, is open to all manufacturers.

The Chamber of Commerce of the United States.—The purpose of this organization is expressed in its title. Many problems involved in foreign trade are given serious consideration, and its efforts to extend the foreign commerce of the United States are valuable to all exporters. Its office is in Washington.

The National Foreign Trade Council.—A result of the first National Foreign Trade Convention at Washington, May, 1914, was the organization of the National Foreign Trade Council, for the purpose of promoting coöperation by the Government, and the commercial, and industrial, and financial interests in foreign trade. A further object was to coördinate the various foreign trade activities of the United States. The Council has an authorized maximum membership of fifty business men, including merchants, manufacturers, railroad and steamship men, and bankers, representing all sections of the United States and collectively standing for the general interest of all elements engaged in foreign trade. It is nonpolitical and nonpartisan, its function being investigatory and advisory. It seeks effectively to coöperate with other organizations in the encouragement of a sound national foreign trade policy. Through its committees the Council is constantly investigating, and from time to time publishes reports upon problems arising in oversea commerce.

Business Men's League of St. Louis.—A number of other business organizations are making vigorous efforts to aid their members in extending their foreign trade. Among these is the Business Men's League of St. Louis, which absorbed the Latin American Foreign Trade Association, one of the first associations founded for the purpose of increasing the export trade of this country. Under its auspices delegations of business men have been sent to Mexico, Central and South America. It was also the first organization to establish an Export Managers' Bureau which is described elsewhere. The Detroit Chamber of Commerce is an organization which is making a vigorous effort to extend the for-

eign trade of Detroit. An interesting feature of its propaganda are the advertisements in export trade papers in which are set forth the advantages of Detroit as an export center. The Cleveland Chamber of Commerce has recently made arrangements with the Federal Government to act as a branch office of the Bureau of Foreign and Domestic Commerce. The Pittsburgh Foreign Trade Commission is serving the members of a large manufacturing district in the general field of foreign trade. The Merchants' Association of New York carries on an important work in foreign trade extension. There is hardly a business organization in the United States which is not seriously considering ways and means of furthering the export interests of its members.

Clubs Devoted to Pan-America.—There are a number of important clubs and societies for the development of better relations with the Latin American countries. These will be found listed and described on page 531 of the Appendix.

CONVENTIONS AND CONFERENCES RELATING TO LATIN AMERICAN TRADE

Importance of Latin American Conferences and Conventions.—

During the past few years the interest in Latin American trade extension has found expression in a number of important conventions and conferences. These have been held in various cities mainly for the purpose of considering business conditions and plans to increase the trade between the United States and the Latin American republics. There have also been held a number of conferences for official discussion of the relations between the United States and the Latin American republics, with a view to making them more intimate. The addresses which have been delivered at these conferences and the discussions which have taken place have been among the most valuable contributions to export trade literature. The proceedings in many instances have been printed and are available for those who are interested. A study thereof will afford information regarding many phases of the Latin American trade problem.

Some of the Conferences.—Among the recent conferences are the following:

1. *The Pan-American Commercial Conference.* Held February 13-17, 1911, Washington, D. C. This conference was held in the Pan-American Union Building, and was attended by the delegates of many of the principal commercial organizations, the leading manufacturing, exporting, and importing establishments of the United States, educational institutions, Latin American Ambassadors, Ministers, and Consuls, etc. The proceedings, published by the Pan-American Union, cost \$1.25.

2. *The National Foreign Trade Convention.* Held at Washington, D. C., at the Hotel Raleigh, May 27-28, 1914. The Foreign Trade Convention marked the assemblage of many representative business men and concentrated their opinion on the opportunity for the development of foreign trade. The proceedings were published, and may be had by addressing the Secretary, National Foreign Trade Council, Headquarters 64 Stone Street, New York, cost \$1.50.

3. *The Second National Foreign Trade Convention.* Held at the Planters Hotel, St. Louis, Mo., January 21-22, 1915. The convention was largely attended and many interesting topics were discussed. The proceedings have been published and may be obtained by remitting \$1.50 to the Secretary, National Foreign Trade Council, 64 Stone Street, New York.

4. *The Pan-American Financial Congress.* Held in Washington, May 30-June 2, 1915. This was called by the Secretary of the Treasury for the purpose of considering the commercial and financial situation which had arisen from the European War. It was attended by the representatives of the Latin American countries, American bankers, and delegates specially invited by the Secretary of the Treasury. The proceedings were published in the *Pan-American Bulletin*.

5. *Meeting of the American Academy of Political and Social Science.* Held May, 1915, in Philadelphia. This was devoted to a consideration of inter-American problems, with particular reference to the economic situation, and was attended by many distinguished exporters and business men. The report of the meeting, published both in paper and cloth binding (\$1.00 and \$1.50 respectively), is obtainable of the American Academy of Political and Social Science, West Philadelphia Station, Philadelphia, Pa.

6. *The Latin American Trade Conference of the New York, New Haven, and Hartford R. R. Co.* This was held at Boston, December 15, 1914. It was attended by many prominent manufacturers, and several important addresses on the subject of general trade and banking conditions in South and Central America were delivered.

7. *The Clark University Conference.* This was held at Clark University in May, 1913. A number of the most prominent authorities on Latin American affairs were invited to deliver addresses, which have been published in book form. Among the speakers were the Minister of Peru; Hon. John Barrett, the Director General of the Pan-American Bureau; the Secretary of the Pan-American Union, Hon. Francisco J. Yanes; Professor William R. Shepherd. The addresses, bound in cloth, under the title "Latin America," can be obtained from G. E. Stechert & Co., Boston, Mass.

8. *The Latin American Trade Conference.* An informal Latin American trade conference was called at Washington, D. C., September 10, 1914, by the Secretary of State and the Secretary of Commerce. As a result of this conference a Latin American trade committee was appointed which made the report outlining in simple form South American trade conditions. The report is obtainable from the National Foreign Trade Council, 64 Stone Street, New York City, price 25 cents.

9. *The Harrisburg Foreign Trade Conference.* November 24, 1914, a foreign trade conference was held at Harrisburg, Pa., by the local and central Pennsylvania manufacturing interests. It was attended by representatives of banking institutions, steamship companies, etc. The discussion was valuable to all present.

10. *The Richmond Latin American Trade Conference.* At Richmond, Va., September 29-30, 1914, an important conference was held for the purpose of considering the possibilities of trade extension with the countries of Central and South America. The conference was an interesting one and was addressed by prominent experts in the Latin American field.

11. *International Trade Conference.* This was held in New York, December 7, 1915, under the auspices of the National Association of Manufacturers. Consideration was given to many important topics relating to foreign trade.

12. *Third National Foreign Trade Convention, 1916.* This convention was held in New Orleans, La., January 27-29, 1916. It was called by the National Foreign Trade Council, and was well attended. Many important phases of foreign trade were discussed by experts. A printed copy of the proceedings may be obtained from the Secretary of the National Foreign Trade Council, Mr. Robert H. Patchin, 64 Stone Street, New York, N. Y.

13. *Other Meetings.* Numerous other meetings have been held throughout the United States. Such conferences as the Southern Commercial Congress, the Trans-Mississippi Congress, etc., have been marked by the presence of distinguished authorities on Latin American affairs who have sought to arouse a greater interest in the general topic of trade relations and who have emphasized the importance of reciprocal business with the southern republics.

CHAPTER XXVI

HOW BUSINESS ORGANIZATIONS MAY AID MANUFACTURERS IN LATIN AMERICAN TRADE EXTENSION

Introduction.—The work of business organizations in Latin American trade extension is becoming increasingly important. In almost every city there are Chambers of Commerce, Business Men's Leagues, Manufacturers' Associations, etc., which are either already giving practical aid to their members or have under consideration plans to further the growth of business relations with the southern republics. In order to render the most practical service, business organizations must standardize their efforts. As a first step a trained, experienced man should be employed to direct foreign trade development. The value of a business organization to its members will be in direct ratio to the practical service it renders. Following is a brief outline of the principal ways in which commercial organizations can assist their members.

Bureau of Translations.—There should be maintained a Bureau of Translations. Particular attention should be paid to technical translations and the preparation of catalogs suitable for Latin America.

Branch Office of the Bureau of Foreign and Domestic Commerce.—Members should be advised of the work of this important Bureau. They should be shown how to take advantage of the service in its many phases as outlined in Chapter XXIII. Arrangements should be made with the Bureau of Foreign and Domestic Commerce to serve as the branch office of the Bureau in cities where it maintains no agent. By this means members can more easily obtain the fullest benefit of the government service.

Bureau of Employment for Foreign Trade Positions.—A bureau should be established with which applicants for positions as travelers or local representatives abroad, or as employees in foreign departments, may file references. Members should be informed of all applicants found reliable and should be requested to send

to the Bureau applications which they receive but which cannot be utilized by them.

Assistance in Establishing Export House Connections.—Members should be informed regarding the possibilities of export house representation. The association should lend its assistance in making the most advantageous arrangements for foreign sales by this means.

Coöperative Efforts of Groups of Members.—The services of commercial associations should be placed at the disposal of members in allied lines of products who wish to appoint joint representatives for a group. An intelligent secretary can be of invaluable aid in suggesting plans.

Assistance in Making C.I.F. Quotations.—A very practical service would be that of helping the members to make proper quotations, including the cost of insurance and freight. To those members especially who are just establishing trade connections such aid would be invaluable.

Suggestions for Forwarding Shipments.—Members should be given the necessary information to forward shipments properly and should be supplied with the names and addresses of forwarding agents in the principal ports.

Files of Latin American Government Journals.—A file of official Latin American government journals should be kept. Members should be advised of opportunities referred to therein and of bids advertised for government supplies.

File of Latin American Publications in General.—There should be maintained complete files of all publications relating to Latin America, with particular emphasis on those containing new business opportunities. Such files should include all export, trade, and technical journals, magazines featuring Latin America, newspapers, and magazines published in Latin America.

Bureau for Adjustment of Claims.—A bureau for the adjustment of claims and disputes and to make collections should be established.

Furnishing Banking Information.—Members should be supplied with information regarding the best methods of financing foreign transactions, the handling of drafts, the making of foreign collections, and the financial conditions in general in Latin America.

Practical Advice Regarding Foreign Trade Problems.—The secretary or person in charge of the foreign trade division of a business organization should be in a position to advise members regarding the solution of problems constantly arising in the development of foreign trade. This should include correspondence, filling orders, packing, marking, preparation of shipping documents, invoices, consular invoices, marine insurance, obtaining ocean or freight rates, forwarding banking documents, drafts, foreign exchange, custom house regulations, tariffs, traveling salesmen, taxes, advertising, etc.

Weekly or Monthly Bulletin.—Members should be supplied with a well-edited bulletin containing information regarding Latin American trade, reports of trade opportunities compiled from various sources, including those appearing in the *Commerce Reports*.

The bulletin should be modeled after those supplied by the National Association of Commerce, the American Manufacturers' Export Association, the Philadelphia Commercial Museum, etc.

Foreign Patents, Trade-marks and Copyrights.—The Association should furnish information regarding patent and trade-mark laws in foreign countries and should be in a position to supply the names of reliable agents or lawyers who can properly attend to the registration of trade-marks.

Coördination of All Export Efforts.—The efforts of business organizations should be directed toward the coördination of all movements for the furtherance of American export trade. This should include work of the United States Government, organizations formed for the purpose of fostering American foreign commerce, commercial organizations generally, the Pan-American Union, foreign trade and technical journals, etc. Strong efforts should be made to have official recognition accorded intelligent efforts to further trade, and to coördinate through governmental offices the data acquired by all engaged in export trade development.

Visitors from Latin America.—Commercial organizations should coöperate with the proper persons in Latin American countries and with their members to obtain advance information of the visits of Latin American merchants.

Entertainment of Visitors.—Visitors from Latin America, par-

ticularly those interested in making purchases, should be properly entertained. Interpreters should be supplied free of charge and there should be efforts to make their stay in the community agreeable.

Organization of Groups of Latin Americans.—Whenever possible, arrangements should be made for the establishment of social organizations of native Latin Americans. Such groups can most effectively entertain Spanish-speaking guests by affording them opportunities for conversation in their own language.

Lectures Regarding Latin America.—Valuable work in behalf of Latin America would be the arrangement for lectures to be given by authorities in Latin American history, literature, etc.

Prizes to Stimulate Interest in Latin America.—An excellent means of arousing interest in Latin America is by the awarding of prizes to students in schools or universities for essays on topics relating to Latin America or for excellence in the study of Spanish or Portuguese. Such prizes should be offered by business organizations.

Payment of Visitors' Expenses.—In connection with the exploitation of the commerce of a city, merchants from Latin America should be informed by printed matter that their fare to the city will be refunded upon the purchase of a certain amount of merchandise.

Coöperation with Other Export Organizations.—No opportunity should be lost to coöperate in every possible way with all other organizations interested in foreign trade development. There should be an exchange of bulletins—and of all information generally which would be advantageous to the members of the several organizations.

Coöperation with Business Organizations in Latin America.—The most active coöperation should exist between the local business organizations and Chambers of Commerce and trade bodies in Latin American countries. All matters of mutual interest should be fostered, and the furthering of reciprocal advantages should be sought. This should especially concern itself with obtaining markets for Latin American products.

Foreign Trade Luncheons.—Luncheons should be held periodically at which the speakers should be men versed in definite phases of the export business. Such meetings should be addressed

by visiting government officials, consular officers, commercial attachés, etc.

To Foster Foreign Trade Education.—Proper instruction for foreign trade and the establishment of schools for teaching young men this branch of commerce should be encouraged. The addition of courses of study by established schools should also be urged and “continuation” courses should be advocated.

Distribution of Literature Regarding a City.—Illustrated booklets, pamphlets, and well-written letters setting forth the advantages of buying in a particular market should be circulated in Latin America. Cards should be inclosed upon which merchants may state in what article they are interested, and these requests should then be communicated to members. Members who circulate catalogs and printed matter in the Latin American countries should be induced to include pamphlets containing a description of their city and its advantages.

Local Offices in Latin American Capitals.—Efforts should be made to establish branch offices in the principal capitals. The expense of maintaining these offices should be borne either by members interested in obtaining trade there or by an association whose members generally would be benefited by personal representation.

Delegates to Foreign Countries.—Advantage should be taken of the visits of members or their representatives to foreign countries in order that they may be commissioned to represent the local body. Much good publicity for the market may be obtained by the visits of such representatives to Latin American countries.

Exchange of Students and Apprentices.—Every effort should be made to arrange for the entry into local schools of Latin American students who wish to learn business methods in the United States. Similar efforts for the sending of young Americans to Latin America should be encouraged.

Subsidies or Scholarships to Young Men.—To encourage young men to adopt foreign trade careers, business organizations should arrange traveling scholarships or subsidies to cover the expense of such students while in Latin America for the purpose of learning the business methods, customs, and language of the people. The means of selecting such delegates would be by competitive examinations or other tests agreed upon.

The Dissemination of Reliable News.—One of the concrete ways in which business organizations can effectively serve American commerce is by obtaining the publication in Latin American newspapers of news items that would help to create a better understanding of the United States. In these newspapers there is but little reliable news concerning this country, and most of the items published are to our disadvantage. This service affords a great opportunity for fine work and is one in which the intelligent secretary can render valuable aid.

Lists of Prospective Buyers.—Carefully compiled lists of names of prospective buyers of American manufactures should be supplied to members.

Reports on Sales Possibilities.—Upon application, reports relating to the sale of specific products or manufactures should be furnished. When necessary the reports should be specially compiled.

American Business Organizations in Latin American Countries.—Strong efforts should be made to encourage the organization of American Chambers of Commerce in the principal Latin American cities. Such organizations should be composed of American residents of those countries and of American commercial firms engaged in business there. The object of such associations should be:

To promote the interest of American houses in every possible way.

To encourage the importation of American goods by all forms of propaganda.

To advise American correspondents of business opportunities.

To aid American traveling men or the local agents of American firms in the location of buyers.

To assist in obtaining reliable data, trade lists, etc.

To keep members informed of changing trade conditions and opportunities:

To establish, if practicable, a display of samples of American manufactures.

To assist American houses in obtaining accurate translations of general or technical catalogs and to help in the revision of catalogs already in use, by obtaining the exact terms and meanings of difficult words and phrases.

To help obtain local or general agents and to investigate their references.

To submit confidential reports on dealers.

To intervene in the adjustment of claims.

To hold arbitrations and to settle disputes.

To assist in collection of accounts.

To coöperate with American Consuls by performing services which the latter cannot undertake.

To arrange the exchange of students and apprentices who wish, on the one hand, to learn American business ways and customs, and on the other hand, to study the methods of Latin American houses.

To assist in the dissemination of reliable information and interesting facts regarding the United States, its policies, and its people, and to secure the publication of such articles by the best newspapers and journals.

Subjects Requiring Coöperation.—In the analysis of trade relations with Latin America it will be found that certain conditions exist which can be adjusted, provided a proper effort is made. To this end the closest possible coöperation of all the Latin American republics with the United States is desirable. Such coöperation may take the form of diplomatic proceedings based upon representations of individual commercial organizations in the various countries, or upon the work of an International Chamber of Commerce.

Questions to Be Agitated.—Some of the questions which should be agitated by individual Chambers of Commerce and commercial organizations, the National Chamber of Commerce, and the National Foreign Trade Council are the following:

1. The establishment of an International American Chamber of Commerce. Such a chamber should have permanent quarters in the principal Latin American cities, and an active executive committee in the principal cities of the United States, with branches coöperating through local chambers of commerce.

2. To standardize classifications, descriptions, measures of value and quantity for the purpose of more intelligible customs clearance.

3. To arrange the necessary alteration of Latin American laws relating to commercial representatives.

4. To overcome variations in commercial laws that are mutually disadvantageous.

5. To supply the necessary machinery for the purpose of arbitrating commercial disputes.

6. To provide for inter-American governmental bureaus in needed departments, including agriculture, animal industry, forestry, geology, hydrography, etc.

7. To provide for the enactment of laws simplifying the exchange of products. This would concern itself with regulations for making use of warehouse receipts and other documents needed in trade. To agitate an improved postal service between the United States and the Latin American republics and to secure the adoption of two-cent postage. A further benefit would be that of the C.O.D. system to the parcel post with Latin America. To encourage the mercantile marine by providing for the reduction of post charges.

8. To advocate the creation of free ports, enabling the carrying of stocks in the various Latin American republics, subject to the payment of duties when importations are arranged.

9. To overcome the drawbacks relative to registrations of trademarks and copyrights, and more fully to protect manufacturers against registry of them by unprincipled individuals.

10. To obtain the coöperation of men of learning in the universities of the United States and those of Latin America and to provide for a similar exchange of students.

11. To agitate combinations of manufacturers which would be lawful.

12. To agitate the training of experts in the handling of foreign trade and in the training of salesmen for that work.

American Delegations to Latin American Countries.—Visits of delegations of business men to Latin American countries are encouraged by many organizations. While such activity is laudable, the results to be derived therefrom are insignificant in comparison with the benefits which result from the continuous work of resident or traveling agents with samples. Far greater results would be obtained by the appropriation of funds to arrange tours of Latin American merchants to the principal manufacturing and commercial centers of the United States. The money needed for American trade tours of Latin Americans is usually misspent, as

in many instances the delegations include not only business men but also individuals bent on sightseeing. The time is so much taken up with affairs in honor of the visitors that the actual commercial conditions cannot be studied in the short time remaining. While the practice of visits to Latin America should be encouraged, far greater results would be obtained were these made by individual manufacturers or very small groups who should come unheralded in the newspapers, that they might study at first hand actual commercial conditions.

When visits of commercial delegations to Latin American countries are planned, notice thereof should invariably be given American Consuls that they may make proper arrangements for their reception.

An Example of Commercial Organization Work.—As an example of the coöperative work of a business organization with manufacturers in the development of foreign trade, may be cited the Export Managers' Bureau of the Business Men's League of St. Louis. This was organized March 19, 1915, and the meetings of the Bureau, which are attended largely by men who direct the details of foreign commerce, include the discussion of the problems confronting export managers, the study of conditions affecting trade between St. Louis and foreign countries, and a general interchange of ideas. Consular officers, commercial attachés, and experts in foreign trade are invited to address the meetings, the purpose being more thoroughly to equip employees placed in charge of export departments by various manufacturers.

An Example of Coöperative Effort.—Another example of coöperative effort which is applicable to the Latin American market is that of the Illinois Manufacturers' Association. This organization arranged with an experienced traveler for the establishment of selling agencies and showrooms in Petrograd, Russia. Because of the number of members who agreed to underwrite the plan, the cost of initial efforts to win the Russian market was materially reduced.

The Value of Expositions.—During the past decade a number of very important expositions have been held in various parts of Latin America, which have been of considerable value in stimulating trade with the United States. Of especial importance have been those in which agricultural machinery and implements were

displayed. Trade expositions will have an increasingly important part in the development of business between the United States and Latin America. They can be made most effective by permitting the display of machinery and implements which require demonstration in order that the ultimate consumer may have an opportunity of seeing their actual workings. Business organizations in the United States should keep in close touch with the management of such expositions and seek to supply their members with information relative to cost of space, charges for entry, etc.

Coöperative Expositions by Manufacturers.—In this connection reference should be made to coöperative exhibitions of American manufacturers. As organizations already exist in which the manufacturers of allied lines are coördinated, much may be done in co-operative work for the benefit of all the members of a particular trade. The chief feature of such work should be the exhibition of the products contributed by certain members who are particularly interested in establishing a foreign business. Exhibitions could be carried from one city to another and opportunity could be given for inspection by prospective buyers. While immediate results could not be expected, such an exhibition would prove advantageous.

The Commercial Museum of Cuba.—Several Latin American governments have already established expositions and commercial museums. For instance, the republic of Cuba, through its Department of State, has founded in conjunction with the Bureau of Information, a Commercial Museum. Manufacturers and merchants may make a comprehensive study of foreign goods and prices. Catalogs and samples of many articles are on file. Manufacturers who wish information may obtain it from the Cuban Consul General, 82 Beaver Street, New York.

A Brazilian Commercial Museum.—The Museo Commercial, the great museum of Rio de Janeiro, is administered by the Brazilian Federal Department of Agriculture, Commerce, and Industry. This government organization maintains a spacious building, centrally located, of three floors, and desires to make a permanent exhibition of American products. The exhibition of samples and models is made entirely free of charge, the only expense incurred by exhibitors being freight and handling. Catalogs and price lists

may be sent for free distribution. Details relative to the museum and exhibitions therein are supplied upon request.

Coöperating with Foreign Bureaus.—There are being opened in many of the principal Latin American cities, commercial bureaus with which business organizations and American manufacturers may coöperate in the introduction and sale of American products. As an example may be cited an institution called the *Oficinas de Informacion Comercial* at Callao, Peru. Its purpose, in part, is to bring together American sellers and Peruvian buyers by supplying information relative to import duties, commercial regulations, trade-marks, etc.

Other organizations of a similar nature are being established in many places for the purpose of exhibiting American manufactured articles. Manufacturers, however, before making definite arrangements with such enterprises should ascertain, through the Bureau of Foreign and Domestic Commerce or its branches, whether they are legitimate. If the department is not in position to advise immediately, the information can be obtained through the Consul in the city where the proposed exhibition is to be held.

Courses of Reading for Secretaries.—The secretary of a commercial organization should be thoroughly informed regarding the development of export business and of legislation relative thereto. A course of reading will be found of material aid. This should include the leading Export and Trade Journals, the publications of the Department of Commerce and Labor, including the *Commerce Reports*, books relating to the individual countries, etc. Suggestions for such a course will be found on page 474.

A Suggested Course of Instruction in Export Trade.—One of the valuable services which can be rendered by a commercial organization to its members is a course of lectures which deal with thoroughly practical phases of the export business. Some of the principal business organizations have already arranged for stated meetings of the export managers of their members who exchange views on foreign trade. While this is valuable, a plan that will be productive of much practical benefit is that of a series of meetings addressed by authorities on the various export problems. The address or lecture may be illustrated with stereopticon views and informal discussions should follow, with questions from those pres-

ent regarding personal problems. A list of possible topics for such a course is the following:

LIST OF TOPICS FOR A SERIES OF LECTURES BY EXPERTS IN LATIN AMERICAN TRADE

ECONOMICS OF AMERICAN FOREIGN TRADE

1. The nature and purpose of foreign trade.
2. The development of commerce between the United States and other parts of the world.
3. Influence of competition—foreign and domestic.
4. Transportation and its relation to the growth of American commerce.
5. The most desirable markets, present opportunities and future possibilities.

GEOGRAPHY AS RELATED TO TRADE

1. A study of the natural resources of prospective markets, of their inhabitants and economic conditions.
2. The great trading centers of the world, the routes of trade and travel.
3. The direct and indirect effects of the Panama Canal on American and world trade.
4. The influence of geographical conditions generally on industry and commerce.

HOW TO STUDY THE PROBLEM OF OBTAINING FOREIGN TRADE

1. Analysis of European methods.
2. Analysis of American success in export trade.
3. The means of obtaining information regarding export trade.
4. Education and training necessary.

METHODS OF BUILDING EXPORT BUSINESS

1. Export commission houses and export agents.
2. Direct sales to foreign countries by:
 - (a) Local and general agents.
 - (b) Traveling salesmen.
 - (c) Correspondence.
 - (d) Advertising.
3. Organization of an export department and duties of a manager.

OUTLINE OF LATIN AMERICAN MARKETS FROM THE COMMERCIAL STAND-
POINT

1. Mexico, Cuba, West Indies.
2. Central America and Panama.
3. West coast South America.
4. East coast South America.

BUSINESS METHODS AND CUSTOMS OF LATIN AMERICA

1. Analysis of the population.
2. The merchants; foreign and native.
3. The business policies and character of Latin American importers.
4. Stores and sales methods.

TRAVELING AND LOCAL SALESMEN

1. Qualifications of representatives.
2. Methods of obtaining or developing salesmen.
3. Arrangement of territory.
4. The problem of samples, travelers' licenses, etc.
5. Directing salesmen, remittances, and reports exacted of travelers.
6. Suggestions for proper direction of Latin American travelers.

CORRESPONDENCE WITH LATIN AMERICA

1. The general character of the correspondence.
2. The construction of sales letters and the follow-up system.
3. Problems of Latin American correspondence, short paid postage, etc.
4. Introducing Latin American viewpoint and personality.
5. The filing of letters, card index systems, abbreviations.

ADVERTISING IN LATIN AMERICA

1. The use of catalogs, price lists, and circulars.
2. The need of a well-planned campaign and coördination of all sales efforts.
3. The use of advertising helps and novelties, and their problems.
4. Magazines, export papers, and newspapers in Latin America:
 - (a) American export journals.
 - (b) Technical and trade papers.
 - (c) Local newspapers and magazines.
 - (d) The preparation of advertisements, etc.

PROPER PACKING FOR LATIN AMERICA

1. Packing, as related to transportation and local conditions.
2. How to determine what packing to be used.
3. Analysis of port conditions.
4. How to insure satisfactory packing.

FREIGHT FORWARDING AND FORWARDING AGENTS

1. Practical requirements in the forwarding of shipments.
2. The work of forwarding agents.
3. Analysis of quotations, c.i.f., f.o.b., etc.
4. The cost and economies of forwarding.

OCEAN TRAFFIC AND SHIPPING

1. The handling of freight at seaports.
2. The loading and unloading of vessels.
3. The basis of ocean freight rates, shipping routes, etc.
4. The American merchant marine.
5. Laws affecting shipping.

THE PREPARATION OF DOCUMENTS

1. The importance of invoices.
2. Consular invoices and requirements.
3. Railroad and ocean bills of lading.
4. Other documents required in foreign shipping.
5. The forwarding of documents.

CREDITS IN LATIN AMERICA

1. General credit conditions in the Latin American countries.
2. How to obtain information.
3. Collecting open accounts.
4. Bank credits; drafts, with and without documents.
5. Collection methods and charges.

BANKS AND FINANCIAL CONDITIONS IN LATIN AMERICA

1. General financial conditions in Latin American countries.
2. Why American banks are needed.
3. Banking methods in general.
4. The effect of the Federal Reserve Act in relation to the rediscounting of foreign bills.
5. Opportunities for and effect of American investments.

FOREIGN TARIFFS AND TAXES

1. The theory of tariffs in Latin America.
2. Effect of tariffs on importations.
3. European and American competition in relation to tariffs.
4. Overcoming tariff law restrictions.
5. Custom house regulations.

MARINE INSURANCE

1. A study of its principles.
2. The various kinds of marine insurance.
3. The adjustment of losses.
4. Need for other than marine insurance.

GOVERNMENTAL ASSISTANCE TO AMERICAN EXPORTERS

1. The work of the Bureau of Foreign and Domestic Commerce.
2. The Consular Service.
3. Commercial attachés, special agents, etc.
4. The publications of the Bureau.
5. The work of branch offices.

TECHNICAL TRAINING FOR FOREIGN TRADE

1. Need for training.
2. The best methods of foreign trade instruction.
3. The training of employees for export departments.
4. Obtaining and training salesmen for Latin America.

HISTORY OF THE LATIN AMERICAN REPUBLICS

1. Political history of grouped countries.
2. Political history of individual countries.
3. Economic financial-industrial history of individual countries.
4. Immigration, naturalization, etc.

SOCIAL DEVELOPMENT AND CONDITIONS

1. Business and social customs.
2. Celebration of national, civic, and religious holidays.
3. Relation of Church and State.

CHAPTER XXVII

THE OPPORTUNITIES FOR YOUNG MEN IN LATIN AMERICA. COMMERCIAL EDUCATION FOR FOREIGN TRADE

Introduction.—The influence of European residents in the Latin American republics upon the development of commerce with their respective countries has already been pointed out.

Influence of Resident Americans.—The settlement of Americans in the southern republics should be encouraged for the same general reasons as those shown in Chapter III. The presence of Americans is reflected not only in the demand on local merchants for American products but in the use of American machinery, appliances, tools, etc. The establishment of American colonies brings with it results which can be easily seen in the use of the mail order house catalogs. Purchases made from the latter practically force the importation of American-made articles by local merchants, in order to obtain the valuable patronage of Americans who are usually in good financial circumstances.

Possible Fields of Work.—The opportunities for Americans, particularly for specialists in all fields of work, are almost unlimited because of the fact that many of the countries are extremely backward and in others the conditions are still primitive. Among the possible fields of activity for Americans are the professions, such as the law, medicine, dentistry, etc.; the constructive professions, such as engineering, architecture, civil engineering, etc.; teaching, business, salesmanship, etc. In the latter field the opportunities are particularly good. The connection of American young men with the Latin American institutions is important and should be encouraged, as it usually influences the purchase of American materials and machinery for use in construction work, etc.

Conditions under Which Visits Should Be Made.—Notwithstanding the fact that young men with specialized knowledge or training can find excellent opportunities in almost all of the

twenty Latin American republics, careful analysis of the situation should be made before making the journey. This is desirable because of the difficulty of properly establishing oneself, unless arrangements for a position have been made before departure.

The opportunities unquestionably exist but capital is almost invariably necessary. Those who go to the Latin American republics should have ample resources on which to live for at least six months or a year while investigating, and not leave the possibility of obtaining employment to chance. It is also preferable that those who go should have qualified themselves by a course of training to cope with the problems which will arise.

Interest in Foreign Trade Education.—Not only the increasing demand for young men to fill responsible positions in Latin America but also the development of export trade in general has aroused a keen interest in the subject of foreign trade education. The equipment of young men who are to follow the export business as a career is a serious problem. For the most part, the representatives of American manufacturers who have gone to Latin America have had only such training as they have acquired by study, reading, and observation. Large manufacturers have been able to give a limited training to those who have entered their foreign service, but this has been largely education in their business.

Commercial Education Abroad.—The efficiency of Germans engaged in the export business, and particularly as representatives of German houses in Latin American trade, has often been referred to. This efficiency is not accidental. It is due to a well-thought-out plan which has been developed through coöperation by the government, the business organizations, and the merchants themselves. It is compulsory for a manufacturer to grant his employees sufficient time to attend the continuation schools where certain essential instruction in commerce is given. Under the direction of experts, schools for teaching young men foreign trade practice have been established.

University Courses of Study.—The necessity for training in foreign trade has become so essential that several of the leading American universities have established courses of instruction. The principles underlying commercial practice in foreign countries are studied and all the phases of the problem, including the difference between export and import trade, are considered. Among the

universities that have seriously undertaken this instruction are Harvard, Yale, Columbia, and New York University. The courses include a consideration of the general foreign trade situation, geography, trade organizations, currency, banking and exchange, credits, capital investment, shipping, transportation, etc. Other institutions that are to be included in a proposed government encouraged chain of schools are the University of Chicago, Tulane University, the University of Cincinnati and Charleston College. On page 545 is given a list of universities which offer certain courses in connection with Latin American topics.

Other Foreign Trade Education in the United States.—Aside from the university courses already referred to, educational efforts in foreign trade have been very limited. During the winter of 1914-1915 several courses of lectures on the general subject of export trade were given in New York City. One course was under the direction of John Franklin Crowell, Ph.D., L.H.D., Educational Department, West Side Y.M.C.A. Another was conducted under the direction of Prof. Philip B. Kennedy at the Wall Street branch of the Extramural Division of New York University. While Spanish is being taught to an increasingly large number of pupils in many of the high schools of the country, instruction in other practical phases of the problem has rarely been attempted. Several informal groups of the managers of export departments of business houses have been arranged under the direction of commercial organizations but no definite course of instruction has been provided for.

The Keynote to Foreign Trade Education.—The keynote to foreign trade education may be found in the efforts now being made to increase American exports by coördination. It is reasonable to assume that they will soon reach a point of the highest efficiency. Advantage should be taken of these efforts to further the cause of foreign trade education. Valuable aid and suggestions could be had of the United States Government, particularly the officials of the Bureau of Foreign and Domestic Commerce; of the Pan-American Bureau, which has long been identified with educational work in behalf of Latin America; of the National Foreign Trade Council, which has recently circularized manufacturers, merchants, and educators to obtain a better idea of the actual necessities for foreign trade education; of business organizations such as the Na-

tional Association of Manufacturers, the Philadelphia Commercial Museum, the Chicago Association of Commerce and similar bodies; of export and trade journals; and of manufacturers who have achieved success in the Latin American field.

Coöperation Between Schools.—By arranging for thorough coöperation among the various institutions of learning which undertake foreign trade education, instruction could be standardized and the visits of experts to various cities could be easily arranged. If the instruction were planned under the direction of a Commission composed of the representatives of all the interests involved, with perhaps the addition of the United States Commissioner of Education, the most effective results would follow.

The Organization of Continuation Schools.—In view of the fact that school boards throughout the United States are rapidly increasing opportunities for technical instruction, there should be found means of adopting, to some extent at least, the idea of the German continuation schools and adapting them with modifications to meet the conditions in the United States. Instruction in such schools would necessarily be of a primary character but arrangements might be made for the attendance during several hours each day or during certain days of the week, for a given period, of the employees of the exporters who desire to receive the benefits of such instruction. Similar work might be done by the business colleges who would add to their curriculum special courses in training in Latin American business practices. High schools and universities in general could arrange courses. All institutions of this nature afford excellent means of teaching Spanish and Portuguese. They are also well adapted to give instruction in geography, tariffs, etc.

The Basis of Instruction for Foreign Trade.—Instruction for foreign trade should not be confined solely to the technical practices involved in the development of an export business but should also deal with the larger aspects of the question. Roughly, such a course would be based on the following essentials:

1. A practical training in commercial geography. The student should be taught the conditions which prevail in other countries.
2. A study of the commerce of the world. This should include analysis of the export statistics of the United States and other countries and the questions of transportation, trade laws, etc.

3. The customs and life of foreign peoples. Languages, correspondence, commercial terms, etc., should naturally be studied.

4. Concrete problems suggested by the various phases of export trade practice should be discussed and opportunities should be given the students to hear authorities in the various features of this branch of trade.

5. The methods of doing business, the application of commercial and maritime laws and the financing of export trade should likewise be taught.

6. Export trade in its broader phases including advertising, salesmanship, and the development of new markets should be studied. On page 358 is a list of subjects which will suggest other topics; this can be greatly elaborated.

Foundation Work for Export Career.—The rapid growth of the foreign trade of the United States emphasizes the necessity for greater attention to the specialized training of young men for this service. Foreign trade practice is becoming so complex that need for technical training is daily becoming more insistent. This need has long been recognized by the exporters in European countries, whose warehouses and offices are constantly developing young men. The continuation schools of Germany offer a partial solution of the problem of education of the United States for foreign trade. However, the work need not be confined to one particular plan or institution. Advantage should be taken of the best means at hand and educators generally should be impressed not alone with the opportunity but also with the duty of giving this education.

The Character of the Instruction That Should Be Given.—In order to be of the greatest benefit instruction should be practical and should enable the student to cope with the actual problems that arise in daily relation with the Latin American countries. Advantage could be taken of the instructors attached to those institutions which undertake this work, for the teaching of the necessary languages and for the general direction of the school. The instruction should touch upon every phase of export trade from the geographical, economic, and business standpoint. This might be a series of lectures given by experts in their particular field, recognized authorities, and men who have achieved successes in foreign trade. In addition there should be enlisted the services

of the experts of the Department of Foreign and Domestic Commerce, including the agents of the Bureaus in the various cities, the Consuls who return to the United States on visits, the commercial attachés and special agents of the department. The lectures should be logically developed in order that the student may be taught all the essentials of business.

A Suggested Federal School of Commerce.—It has been suggested that there be established in Washington a Federal Graduate School of Commerce which shall be closely allied with Federal agencies and institutions. It is believed that young men desirous of preparing for the foreign service would enter such an institution to complete their commercial education. This institution would fill a particular need and would naturally not conflict with other courses of instruction in universities or other institutions of learning. The purpose of this institution would be so to educate the commercial representatives of the United States that they would be able to compete with the representatives of European nations who are given unusual opportunities to equip themselves in order to cope with the severe struggle for international trade supremacy.

A Course of Instruction in Foreign Trade.—Under the direction of Dr. Edward E. Pratt, Chief of the Bureau of Foreign and Domestic Commerce (of the United States Department of Commerce), there has been arranged by the Business Training Corporation of New York a course of instruction in Foreign Trade. The men who coöperate with Dr. Pratt are recognized authorities in export trade matters and the course is exceedingly comprehensive. It is the plan of the founders of the course to instruct men in foreign trade from all standpoints, and arrangements have been made to conduct the course through correspondence and by means of study groups. Particular attention is given to the application of the instruction to concrete problems. The fee charged is thirty dollars. The office of the corporation is 185 Madison Ave., New York City.

How a Student Can Educate Himself.—It is often impossible for a student to take a course of instruction. Nevertheless, by application, much can be learned regarding export trade. In the Appendix there is given a list of best books and articles that deal with Latin American trade in its different phases, and on page 464 is given a list of books that should be owned by all who require

authoritative works on export commerce. By a careful reading of these books much knowledge can be acquired.

Books Concerning Latin American Opportunities for Young Men.—A book recently published is of interest to all students of Latin American problems. It “considers in detail the opportunities, advantages and disadvantages in the professions and in many lines of business.” It is listed on page 465 of the Appendix.

CHAPTER XXVIII

PRODUCTS AND MANUFACTURES SALABLE IN LATIN AMERICA

Introduction.—The following is a list of the principal articles adapted to the Latin American markets. It will be readily understood from the preceding chapters that the conditions governing the sale of these articles vary materially in the different countries. In a general way, practically all products and manufactures sold in the United States can be marketed in at least certain parts of Latin America. This applies with particular force to the large cities. Market possibilities can only be determined by the analysis suggested in Chapter II. The articles listed below are the principal ones which can be sold to the Latin American countries.

Advertising Novelties.—The value of advertising as a means to increasing business has been widely recognized throughout Latin America. The demand for advertising novelties is increasing, particularly in the larger cities. Articles of real merit, especially if based on a new idea, find a ready sale. In the principal capitals there are agents whose efforts are confined to advertising in all its branches.

Agricultural Implements, Machinery and Plantation Supplies.

—The manufacturers of agricultural machinery and plantation supplies are among the pioneers in Latin American trade. The field is practically unlimited and the future affords great possibilities. The application of more intensive methods of agriculture, the adoption of modern systems where old customs still prevailed, and the wide variety of climates make Latin America a promising field for the manufacturers of agricultural machinery and supplies.

Corn planters	Corn shellers	Cultivators
Cutters (feed and ensilage)	Disk plows	Drills (grain)
Earth augers	Farm tractors	Fertilizer dryers
Harrowes	Grain sprouters	Grubbers
Hay tools	Pasteurizers (for dairies)	Planters
		Seeders

Manure spreaders	Seed sowers	Sprayers
Sheep shearing machines	Weeders	Threshing machinery
Grain storage-tanks	Cream separators	Saw mills
Wire stretchers	Windmills	Fencing
Beehives	Baling presses	Cotton gins
Foundations	Plows	Bee smokers
	Honey boxes	Honeycomb

Amusements.—Latin America offers a fertile field to the manufacturers of amusement equipment. With an increasing wealth of the Southern trade fields will come a larger demand for amusement devices. This field can best be studied by personal observation.

Merry-go-rounds	Chutes	Swings
Scenic railways		

Arms, Munition, Powder and Explosives.—The primitive conditions which exist in many parts of Latin America and the need of arms and ammunition by hunters and pioneers insure a good market for the products of American gun and revolver manufacturers. The demand for powder and explosives generally is large. The purposes for which they have been used in the United States are duplicated in all their varied forms in Latin America.

Gun powder	Blasting powder	Shot
Rifles	Shotguns	Revolvers

Awnings, Tents, Sails and Canvas.—The various manufacturers of canvas enjoy a large demand in practically all countries of Latin America. The importation of canvas, which is used for many purposes, is particularly large, while awnings are a necessity because of the tropical sun; the use of tents is also very extensive.

Bags and Bagging.—An analysis of the products of Latin America indicate the necessity for the use of bags and bagging in many forms. The chief competitor of the United States has been England but the imports of bags and bagging from the United States are large and can be increased. The following are some of the principal kinds of bags used:

Meal bags	Salt bags	Gunny bags
Coffee bags	Flour bags	

Barbers' Supplies and Furniture.—The increasing demand for comfort of all kinds insures a sale for modern barbers' furniture, toilet articles, drugs, supplies, etc. A large business is already being done by some manufacturers and Latin America offers a particularly good field for barbers' supplies.

Bicycles, Motor Cycles, and Accessories.—The success achieved by manufacturers of these useful articles indicates the possibilities in the Latin American field. This is particularly true of motor cycles which are becoming more popular.

Bicycles

Motor cycles

Tricycles

Automobiles, Motor Vehicles and Supplies.—The capitals of Latin America are noted for their number of wealthy residents as well as for beautiful well-paved streets, which make conditions ideal for motor vehicles. The adoption of motor trucks for freight handling and package delivery opens another field which is only beginning to develop. While conditions in some of the countries, because of poor roads, are still unfavorable, the agitation for betterment is such that the alert manufacturer will find it advantageous to watch developments.

Automobile brake linings

Automobile horns

Spark plugs

Automobile lamps

Magnetos

Automobile motors

Automobile tires

Tire vulcanizers

Automobile top hardware and trimmings

Automobile clencher rims

Automobile gauges

Automobile trucks

Billiard and Pool Tables and Supplies.—The Latin Americans are very fond of diversions and in almost every community there are one or more clubs. In the larger cities are found establishments devoted exclusively to billiard and pool, while hotels, bars, etc., are frequent purchasers.

Boats and Accessories.—Because of the large number of rivers and absolute necessity for water transportation, excellent opportunities exist for the sale of launches, motor boats, sailboats, etc. This applies to practically every one of the twenty Latin American republics, since rivers are found in all the countries and many of them are navigable for at least some distance.

Canoes
Rowboats

Launches
Sailboats

Motor boats
Yachts

Boots and Shoes.—One of the branches of trade which has shown a marked increase in exports is the manufacture of boots and shoes. While this line cannot be sold in all of the republics, there are splendid opportunities in some of the most important ones. The demand for boots and shoes of American manufacture is increasing in all the countries except those which have fixed a prohibitive tariff thereon.

Shoes of leather
Slippers

Shoes of rubber
Rubber overshoes

Shoes of canvas
Galoshes

Building Material.—The architects, contractors, builders, and large individual corporations in many of the cities of Latin America are looking to the United States for their supplies of building material. The individual needs of each country must be investigated, but the following list of items indicates the possibilities which exist to a very great extent in practically all of the countries.

Wall board
Bank fittings
Mosaics
Nails
Roofing and shingle tiles
Steel shelving
Tile

Sewer pipe
Wall paper
Cornices
Moldings and carvings
Roofing cement
Building brick
Drain tile

Waterproofing for concrete
Floor and wall tiles
Cement
Steel ceilings, side walls, roofing, etc.
Ornamental and fancy brick

Carriages, Wagons, and Parts.—The use of vehicles in Latin America is very extensive but increasing. While the character and methods of transportation are changing, a careful study of local needs and requirements will reveal splendid possibilities open to American manufacturers.

Ambulance
Farm wagons
Coal wagons
Surreys
Tops
Bodies
Carriage rails
Leather dashes

Wagon rails
Military transport
Buggies
Phaëtons
Cushions
Axles
Dumping wagons

Delivery wagons
Carts
Traps
Wheels
Shafts
Carriage fenders
Cane wagons

Cash Registers, Adding and Calculating Machines.—The successes achieved by the manufacturers of cash registers is an index to the possibilities of Latin America for all sorts of mechanical labor-saving devices. Every country affords opportunities, but they are particularly bright in the larger republics.

Cement.—One of the principal imports from the United States into Latin America is cement. The demand is due to the vast amount of construction, the development of hydro-electric projects, and all the other uses for which cement is employed in this country.

Asbestos

Portland

Furnace

Coal and Fuel.—One of the results of the European War has been an increased importation of coal and fuel from the United States. In the past, England and Austria have been depended upon largely for coal and other fuel, which have been bought by the manufacturers and carriers of Latin America. The growth of this trade is dependent exclusively upon meeting competitive conditions.

Men's Clothing.—Certain articles of wearing apparel for men are already famous throughout Latin America. The success achieved by some manufacturers can be equaled by the manufacturers of other articles if intelligent efforts are made to obtain the business. The opportunities exist in practically all the countries, and novelties in particular would find a ready sale. Rain-coats adapted to the climate, Palm Beach and similar fabrics are in demand.

Suits

Overcoats

Waterproof clothing

Sweaters

Underwear

Hosiery

Hats

Caps

Overalls

Pants

Shirts

Collars

Cuffs

Suspenders

Garters

Ties

Handkerchiefs

Gloves

Belts

Women's Clothing.—The women of Latin America have been depending in the past on Europe, and particularly Paris, for their wearing apparel. By careful studying of market needs and by

supplying novelties and styles suitable to the different markets, American manufacturers can easily compete. The opportunities for the sale of wearing apparel will naturally grow in proportion to the population and the increase in the wealth of the people.

Dresses	Handkerchiefs	Skirts
Suits	Coats	Waists
Wrappers	Waterproof clothing	Petticoats
Kimonos	Dressing jackets	Underwear
Hosiery	Sweaters	Corsets
Aprons	Shawls	Hoods
Scarfs		Gloves

Cooperage.—Many of the industries of Latin America are dependent upon the use of barrels, casks, etc. Americans, in the past, have been depended upon to supply these, and the opportunities for the sale of such articles are steadily increasing.

Barrels	Casks	Hogsheads
Kegs	Staves	Shooks

Chemicals, Drugs, Dyes, Extracts, Pharmaceutical Products, Medicines.—The exportation to Latin America of chemicals, medicines, drugs, and pharmaceutical products is very heavy. As they have been imported largely from countries most affected by the European War, unusual opportunities exist for American manufacturers of these articles. The demand comes from practically all of the twenty republics and is worthy of serious study, particularly as certain pioneer manufacturers have established a large business in many of the Latin American republics.

Talcum powder	Hair dye	Soap
Cold cream	Perfume	Stock and poultry
Herbs	Toilet preparations	remedies
Dyes	Pills	Calcium
Carbide		

Cordage, Rope, and Twine.—The statistics of exports of the United States to Latin America indicate an increasing demand for these manufactures. Because of the growth of the industries

of Latin America in which they are needed, an attractive field is open to the American producers.

Cordage	Rope	Cable
Cotton twine	Jute twine	Sisal twine
Hemp twine	Wire rope	Wire cable

Cotton Piece Goods, Dry Goods, and Textiles.—The opportunities for the sale of cotton piece goods, dry goods, and textiles generally have often been referred to. Exhaustive reports have been made by agents of the American Government and the requirements in the various markets have been pointed out. The increase in population and the steadily growing demand for wearing apparel in all of the countries make this a field worthy of particular consideration.

Woven fabrics	Piece goods	Blankets
Laces	Embroideries	Trimmings
Curtains	Handkerchiefs	

Drugs and Druggists' Supplies.—Among the pioneers in Latin American trade have been the patent medicine manufacturers, some of whom have achieved remarkable successes. The demand for pharmaceutical products, toilet articles, etc., is such that if the individual needs of the countries are carefully studied much business can be done.

Pharmaceuticals	Patent medicines	Plasters
Ointments	Syringes	Hot water bottles

Electrical Apparatus and Supplies.—The rapid industrial development of the principal Latin American republics and the establishment of electrical works in all the countries make for a very large sale of electrical apparatus and supplies. Practically every appliance of an electrical nature can be sold and the field is still in its infancy.

Transformers	Switchboards	Panel boards
Cut-out cabinets	Motors	Storage batteries
Carbons	Arc lamps	Incandescent lamps

Searchlights	Sockets	Transmitters
Receivers	Rheostats	Resistances
Switches	Signals	Attachments

Engines and Equipment.—While manufacturing in most of the Latin American countries has not reached a high stage of development, it is nevertheless increasing. In some of the republics the opportunities are greater than in others, and as the number of manufacturing plants is on the increase the demands for engines will show a proportionate growth. Engines are particularly used to operate agricultural machinery, small industrial plants, mills, etc.

Locomotives	Automatic	Corliss
Fire	Gas	Gasoline
Hoisting	Hauling	Winding
Kerosene	Marine	Portable
Producer gas	Stationary	Traction
Dynamos	Motors	Boilers
Kerosene engines	Steam engines	Hot air pumping engines

Fencing and Fencing Material.—In practically all of the republics there is a large demand for barbed wire. The use of woven wire fencing is increasing, while ornamental and metal fencing has long been a feature. There is no doubt whatever that the exportations of these articles will increase from year to year.

Ornamental	Metal fence	Coiled wire
Barbed wire	Woven wire	Wrought iron
Iron posts		

Fertilizer.—While Latin America is famous for its fertility, the steady cultivation of the field makes the use of fertilizer highly essential. The increasing demand for fertilizer insures a good field, and in certain of the republics the importation is already very considerable.

Ammoniated	Concentrated phos-	Fish scrap
Complete fertilizers	phates	Manures
Phosphate of lime	Phosphate rock	Superphosphates
Bone ash	Chemical manures	Soda products

Factory Equipment and Mill Supplies.—Practically all the supplies, equipment, and machinery needed in American factories can be marketed in certain cities in Latin America. The demand for factory equipment and mill supplies in general is growing because of the increasing number of mills and factories being established. The details and the opportunities can be learned only by careful investigation and study of local requirements.

Leather belting	Rubber belting	Woven belting
Chain belting	Four mill machinery	Ice machinery
Metal working machinery	Aluminum castings	Laundry machinery
Copper castings	Railway steel	Brass castings
Malleable iron	Drop forgings	Bronze castings
Dredge forgings	Marine forgings	Car forgings
Locomotive		Iron forgings
		Steel forgings

Fire Fighting Apparatus, and Supplies.—Although fires in Latin America are not as common as in the United States, there are certain localities in which the principal material used in the construction of buildings has been wood. In those places—in fact, generally—there is a demand for greater protection against fires and for fireproof materials for construction purposes. The manufacturers of fire fighting apparatus and general equipment, including fire extinguisher, hose, etc., can attain a business whose volume will be in direct proportion to their effort.

Hose	Hose fixtures	Fire fighting apparatus
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Funeral Supplies.—The manufacturers of Europe in the past have been largely depended upon to supply such funeral supplies as have not been manufactured at home. There are in this industry many articles which can be sold profitably in many of the Latin American countries if proper efforts are made. The field is a large one, involving and applying to practically all of the republics.

Caskets	Burial cases	Grave vaults
Casket linings	Burial garments	

Glass, Glassware, Chinaware, Porcelain, Pottery, Earthenware, Etc.—As Germany has been depended upon by most of the countries of Latin America in the past for the bulk of the supplies of glass, chinaware, porcelain, etc., the manufacturers of these articles will find important markets in practically all of the republics. The range of prices is very extensive and the demand includes all grades, from the lowest to the highest.

Bottles	Tumblers	Glassware
Window glass	Plate glass	Floor glass
Skylight glass	Leaded glass	Ground glass
Ribbed glass	Glass shelves	Chipped glass
Tableware	Bottles	Prismatic glass
Art glass	Jars	Vases
Carboys		Graniteware

Groceries, Provisions, and Food Products in General.—There are certain food products, groceries, and provisions which have a large sale in the Latin American countries. These include tinned meats and vegetables, preserved fruits, condiments, and other specialties. In view of the fact that the European countries have largely been depended upon to supply these articles, an excellent opportunity is now afforded those exporters who study the individual needs of these countries. Conditions differ widely but excellent opportunities exist.

Canned goods	Meats	Condensed milk
Biscuits	Bread	Prepared cereals
Crackers	Macaroni	Noodles
Extracts	Essences	Yeast
Baking powder	Pickles	Sauces
Preserves	Vinegar	Cider
Salt	Honey	

Hardware, Cutlery Tools, Etc.—Among the pioneers in the export trade have been the manufacturers and jobbers of hardware and cutlery. Their opportunities in Latin America have been enlarged as a result of the European War, inasmuch as many of the cheaper grades have heretofore been bought in Germany. American manufacturers who will seriously investigate the pres-

ent opportunities and take advantage of the situation will be able materially to increase their business.

Bolts	Cutlery	Carriage tops
Butchers' tools	Hardware	Hardware novelties
Cork pullers	Cherry stoners	Ice picks
Shears	Scissors	Machine tools
Nails	Spikes	Builders' tools
Household shelf goods	Screws	Chains
	Specialties	

Heating Apparatus.—Many of the Latin American cities are located at such an altitude that climatic conditions closely resemble those of northerly latitudes. In some of the cities, hotels, railroad stations, and public buildings have been equipped with heating apparatus, either gas, hot water, steam, or hot air. The increasing demand for comforts insures a sale for many of the appliances which find such a ready sale in the United States.

HOT WATER	STEAM	HOT AIR
Boilers	Furnaces	Radiators
Registers	Pipes	Valves
Gauges	Cocks	

Hose and Hose Fixtures.—The sale of hose and hose fixtures of all sorts is rapidly on the increase. This includes hose made of leather, etc., besides the usual fixtures. The uses in Latin America are those of the same manufactures in the United States.

Leather hose	Woven hose	Rubber hose
Fixtures	Sprinklers	Sprayers

Household Furnishings, Utensils, Furniture, Etc.—The Latin Americans are already large purchasers of household supplies of all sorts. The increasing wealth insures a sale for practically every item that is used in American households, particularly of the better quality.

Cooking ovens	Beds	Flatirons
Cots	Bedding	Household specialties

Lamps	Lamp cord	Kitchen cabinets
Lanterns	Mattresses	Sewing machines
Springs	Stoves	Refrigerators
Mantel grates	Tinware	Vacuum cleaners
Toilet articles	Wall paper	Aluminum ware
Coffee grinders	Meat choppers	Brooms
Mops	Tubs	Washboards
		Hammocks

Instruments: Professional, Scientific, Etc.—In Latin America advances are being made in the field of science as in the material pursuits. For this reason surgical and dentists' instruments which are already largely in demand will grow in popularity. The sale of other instruments will also increase. The appliances and the furniture for hospitals, physicians, and surgeons will meet with an increasing sale throughout Latin America.

Astronomical	Meteorological	Nautical
Surveyors	Taxidermists	Undertakers
Barometers	Binoculars	Calibrators
Clinometers	Calipers	Calorimeters
Thermometers	Chronographs	Compasses
	Surgical instruments	

Jewelry, Clocks, Watches and Silverware.—In this field as in many others the importations into Latin America have been chiefly from Europe. While this is mainly due to the lack of effort made by American producers, there is no doubt that a failure to meet the requirements is largely responsible. As Germany has figured very prominently in this field, the opportunities for American manufacturers are especially bright as a result of the European War.

Rings	Pins	Bracelets
Chains	Rolled plate	Plated ware
Trimmings		

Leather, Hides, and Skins.—Many South American countries are heavy exporters of hides. They are large importers of finished leathers and particularly upper leather suitable for footwear. An

excellent field is afforded in practically all of the countries for the products of American tanneries. This applies not only to shoe manufacturing in those republics in which it has assumed large proportions, but other lines of manufacture in which leather is used also offer fine opportunities for American exporters.

TANNED	CURRIED	FINISHED
Rough	Sole	Upper
Morocco	Colored skins	Horsehides
Calfskins	Kid skins	Goatskins
Sheepskins	Harness	Carriage
Trunks	Bag	Pocketbook
Bookbinders	Furniture	Glove
Boot and shoe	Cut stock	

Leather Goods.—Practically every article that is made of leather can be sold to some extent in the Latin American republics. The opportunities are in direct ratio to the efforts made, and the field, on the whole, is a very attractive one.

Belts	Dog collars	Embossed leather
Leather aprons	Washers	Chair seats
Garments	Razor strops	Gloves
Pocketbooks	Purses	

Lumber, Timber, Rough and Planing Mill Products.—Because of the scarcity or complete lack of lumber or timber suitable for construction purposes American producers have been looked to for supplies of these important items. Naturally the conditions vary materially and the individual needs of the various countries must be carefully studied.

Logs	Builders' finish	Sash
Doors	Blinds	Windows
Panels	Flooring	Squared timber
Poles	Cross ties	Mine timber
Wheel stock	Handle stock	Rough lumber
Dressed lumber	Shingles	Lath

Machinery and Machine Tools.—It has already been indicated in previous paragraphs that the demand for machinery and ma-

chine tools of all sorts is on the increase. This demand is not confined to one particular variety but includes practically all sorts, as the following specifications will indicate. The exports of machinery to the Latin American countries during the next fifteen years will increase by leaps and bounds. Both hand- and foot-power machinery is in demand. Machinery for rice-cleaning, irrigation, and water power is required.

Bakers	Boot and shoe	Bottling
Brewers	Brickmaking	Butchers
Cement mixing	Coopers	Dredging
Dynamo electrical	Elevating	Conveying
Excavating	Filtering	Flour milling
Hydraulic	Laundry	Mining
Metal working	Quarrying	Refrigerating
Power transmission	Road-making	Sawmill
Oil mill	Paper mill	Tanning
Textile	Well-drilling	Woodworking
Boring tools	Turning tools	Broaching tools
Cutting-off	Drilling	Gear cutting
Grinding	Milling	Bobbing
Key seating	Planing	Shaping
Slotting		

Motion Picture Apparatus, Stereopticon.—Among the earliest users of the biograph apparatus were the Latin Americans. The demand for films, motion picture machines, etc., will grow in proportion to the increase in population, and already American films have a fine demand.

Slides	Films	Motion picture machines
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Musical Instruments.—The people of Latin America are extremely fond of music in all its forms. The sale of pianos, organs, player pianos, etc., is rapidly increasing. Latin America offers one of the most fertile fields for the manufacturers of these instruments.

Pianos	Organs	Player pianos
Pianolas	String instruments	Wood instruments
Phonographs		Brass instruments

Mining Machinery, Equipment and Supplies.—One of the chief sources of Latin American wealth is mining. This industry is already conducted on a large scale and all the best methods for the extraction of the ore are applied. As the development of mineral bodies during the next few years will undoubtedly make for an increase in mining, the sale of mining machinery, products, and supplies will rapidly grow. While the opportunities are greater in certain of the countries than others, the field as a whole is a highly attractive one.

Digging machinery	Excavating machinery
Drilling machinery	Gears
Drop hammers	Grease cups
Ore handling machinery	Hangers for shafting
Shaft hangers	Chains
Hydraulic machinery	Rope
Castings	Aërial tramways

Oils.—The demand for oils increases with the growth of manufacture and the development of the countries. The manufacturing is increasing, and as the sale of motors is also becoming very heavy, a splendid field is open to the producers of oils. The use of oils for illuminating, for food, etc., is also encouraging and the outlook is very bright.

Vegetable oils	Corn oils	Cottonseed oil
Linseed oil	Sesame-seed	Peanut oil
Mineral oils	Crude oil	Naphthas
Lubricating	Animal oils	Illuminating oil
Lard oil	Oleo oil	

Optical Goods.—Among the manufacturers who have successfully introduced their products in Latin America have been the producers of optical supplies. There is an increasing demand for optical glasses and lenses, and as they are needed in all of the countries the field is a large one.

Spectacles	Eyeglasses	Lenses
Opera glasses	Frames	Cases

Naval Stores, Pitch, Rosin, Tar.—The growth of commerce with Latin America will automatically increase the demand for naval

stores of all sorts. The number of ships, both passenger and freight, which sail to Latin American ports is rapidly growing, and in addition there is an increasing number of vessels used for local freight carrying. Because of this fact the manufacturers of naval stores, pitch, rosin, etc., will find Latin America a promising field.

Awnings	Tents	Sails
Boats	Accessories	Cordage
Twine	Rope	Turpentine
Rosin	Pitch	Tar

Paints and Varnishes.—Much of the paint used in Latin America has heretofore been bought in Europe. Owing to the growing wealth of the people, the importation of paint will become greater each year. The present is an admirable time to make the initial efforts because of the European War.

Paints in oil	Ready-mixed	Water paints
Kalsomines	Pigments	Fillers
Varnishes	Shellac	Japan
Lacquers	Liquid	Hardwood fillers
Stains	Carbon black	

Photographic Supplies and Art Materials.—The increasing sale of photographic supplies and equipments has been one of the features of Latin American trade development. This is another industry which will be materially benefited by the growing wealth of the people. The demand exists in practically all of the republics and manufacturers will find a steadily increasing demand for their products.

Cameras	Lenses	Films
Plates	Developers	Pastels
Canvas board	Oil Colors	Water colors
Brushes	Crayons	Palette knives
Picture frames	Moldings	

Printers' Supplies, Materials, Etc.—One of the greatest successes in the Latin American field has been achieved by a combination

of manufacturers of printers' supplies. Heretofore Europe, and particularly Germany, has been depended upon for these supplies; hence the outlook is even greater than in the past.

Machinery	Presses	Paper cutters
Typesetting machines	Paper rulers	Perforators
Staplers	Embossers	Rules

Railway Equipment and Supplies.—The railways and street cars in many Latin American countries have been supplied by American manufacturers. The transportation facilities are being extended; hence the development of the countries will be reflected in an increasing demand for railway material. In this field the opportunities are among the most promising.

Rails	Frogs	Switches
Locks	Turntables	Passenger cars
Freight cars	Parts	Fittings
Signal apparatus		

Plumbing Material and Sanitary Supplies.—The effect of American sanitary methods has been felt in an increasing demand for an installation of modern plumbing in practically all of the Latin American countries. Because of the general backward conditions in methods of sanitation, the outlook is most promising. Large sales of plumbing materials to every Latin American country are assured.

Bathtubs	Lavatory fixtures	Sinks
Tanks	Pipe	Valves
Washers	Basins	Faucets
Pipe connections	Rubber goods	

Refrigerators, Water Coolers, Etc.—Although in many places in Latin America ice is still a luxury and the duty on refrigerators is very high, in certain of the republics the opportunities for their sale are very bright. With the increase in wealth will come an insistence upon greater comfort, and this applies with particular force to the demand for ice. In this, as in many of the other

branches of trade, it is highly important to make investigation of the individual needs of the countries.

Roofing Materials.—Within the last few years the demand for patent roofing has rapidly increased. Manufacturers of prepared roofing will find an excellent field in many of the countries, but because of the great variety of climates, the need for the study of local requirements is perhaps greater than in most lines. Conscientious, sincere efforts will be crowned with success.

Patent roofings	Asphalt	Asbestos
Cement	Felt	Paper
Gravel	Pitch	Slate
Tile	Tin	Corrugated iron
Steel sheets		

Rubber Goods.—Although much of the rough rubber of the world comes from South America, articles of which it forms the basis are not produced in Brazil or Peru. As a consequence a splendid field exists for American producers of rubber goods of all sorts.

Bags	Balls	Blankets
Bottles	Brushes	Bulbs
Caps	Corks	Erasers
Funnels	Gloves	Mats
Sheets	Tubing	Life preservers

Safes and Vaults.—The demand for safes has been largely supplied from Europe but within the last few years many safes and vaults have been shipped from the United States. The requirements of different sections vary greatly but on the whole the outlook for the sale of safes is bright.

Scales, Balances, and Weighing Machines.—Among the pioneers in Latin American trade have been the manufacturers of scales and balances. By adapting their products to local requirements, particularly as regards the metric system, they have made rapid headway. A considerable business can be done in this important line.

Automatic weighing machines	Computing weighing machines
Scales	Slot weighing machines
	Balances

Sewing Machines and Parts.—Perhaps one of the most remarkable successes in the export field has been won by a large sewing machine company. The demand for sewing machines can be measured only by the increase of population and the outlook for a continued sale is very promising.

School Supplies and Equipment.—The educational facilities in most of the Latin American republics are still very primitive. The example set by certain of the more progressive countries points to the extension of education in the other republics and this will be to the advantage of those American manufacturers who undertake a careful study of the situation. Of this field it may be said that the opportunities are practically unlimited.

Scientific and Medical Supplies.—Among the best opportunities for American manufacturers are scientific and medical supplies. A number of Latin American students at American institutions of learning finish scientific courses yearly. As many return to their own countries to practice, the demand for scientific, medical, and surgical equipment increases. An unusual opportunity exists at the present time, since Germany has heretofore supplied most of the surgical and other apparatus. Dental supplies already have a large sale and the demand will naturally increase.

Dental instruments and supplies
Surgical instruments and appliances

Architectural supplies
Optical goods

Soap, Washing Powder, Grease, Candles, Etc.—The manufacture of candles and soap is carried on in practically all of the Latin American countries. The stearin which is largely used has been almost exclusively imported from Germany. The better grades of soap, candles, etc., are imported largely from Europe and the United States; therefore the field for American manufacturers is very bright.

Grease

Tallow

Soap

Sugar Mill Equipment and Supplies.—One of the chief industries of Latin America is the cultivation of sugar and the sale of its by-products. An important item in American exports has been equipment for sugar mills, and as the area devoted to the

raising of sugar will increase in proportion to the increase of population, manufacturers of sugar mill machinery and supplies are afforded an additional field.

Spirits, Wines, Malt Liquors, Mineral Waters, Etc.—It is widely known that wines and liquors have a large demand in Latin America. Heretofore they have been bought principally in Europe and this has especially been the case with beer. The European War opens new possibilities for American manufacturers whose opportunities for sales in Latin America are very large.

Beer	Brandy	Gin
Liquors	Cordials	Rum
Whisky		

Sporting and Athletic Goods.—The introduction of sports and games into Latin America insures an increasing demand for the sporting articles and appliances. Hunting, fishing, etc., are very important in Latin America and the need for articles used therein is rapidly growing.

Baseball	Bowling	Football
Tennis	Golf	Fishing tackle
Gymnasium supplies	Dumb-bells	Punching bags
Rowing supplies	Sporting uniforms	Skates

Stationery, Office Supplies, Stationers' Goods, Etc.—The introduction of modern methods and the adoption of time-saving appliances has marked the development of Latin American trade. Because of this fact the manufacturers of office supplies of all sorts and business equipment in general find in Latin America a field in which their opportunities will grow in proportion to the development of the country. The business already being done is large, but susceptible of further development.

Writing paper	Envelopes	Carbon paper
Blank books	Ledgers	Blotting paper
Pens	Pencils	Chalk
Crayons	Ink	Inkstands
Desk pads	Erasers	Clips
Fasteners	Index cards	Playing cards
School supplies	Typewriters	Ribbons
Cleaning tools		

Store Fixtures.—One of the most promising fields for American manufacturers of certain goods is that of store fixtures. The shops of Latin America are being rapidly modernized and store fixtures and equipment of the most effective sorts are being sought by the progressive Latin American merchants. This is a field which should be carefully cultivated, as the opportunities are great.

APPENDIX

SOME FEATURES OF THE LATIN AMERICAN CLIMATES

Rainfall.—It is a peculiarity of the wet season in many of the Latin American countries that the heaviest rains fall late in the afternoon or early evening. The days often open very beautifully, while clouds gather and become so charged with moisture that a storm breaks in the afternoon. In the uplands the sun, because of the latitude, is often extremely hot, though the temperature may be far less in the shade. For this reason its full glare should be avoided, the quick changes from shade to sun being very treacherous. During the dry seasons the days are hot with heavy winds which are charged with dust. Many experienced travelers prefer the wet months, as the nights are usually pleasant and the mornings most delightful, while engagements can be made quite definitely because of a foreknowledge of the rainfall which usually begins at a certain hour daily.

THE SEASONS IN LATIN AMERICA

Argentina.—Northern part. Two seasons characterize that portion of the republic lying north of Bahia Blanca; the rainy season from October to March; the dry season the balance of the year. These are more marked in the interior than along the Atlantic Coast.

Southern part. The seasons are about the same but there is less rainfall than in the north, and it is far more evenly distributed. Spring, as known in the United States, begins in Buenos Aires, September 23; summer, December 21; autumn, March 20; winter, June 21.

Bolivia.—In the temperate belt, including the western plateau and the Cochabamba plateau, there are four seasons—spring from September to November; summer, December to February; autumn, March to May; winter, June to August. In the other portions of the republic there is not much change during the year. In the extreme elevations it is always cold; in the lowlands, hot. The seasons are better known as the wet and dry, the wet occurring from December to May, the dry the balance of the year.

Brazil.—There are two seasons, wet and dry. The latitude deter-

mines the opening of the seasons, beginning much earlier in the south than in the north. The rainy season is as follows: between Rio Grande do Sul to Sao Paulo, from October to April; in Rio de Janeiro, November to May; Pernambuco, March to August; Maranhao, December to June; Pará, January to June. Inland, the wet season begins later, generally continuing from December to May in the Amazon Valley; at Manaos the heaviest rainfall is between April and June.

Chile.—Because of the extreme length there are three geographical divisions, the northern, the central, and the southern, which influence the seasons. In the extreme north there is almost no rain and in the central division the rainfall is moderate. In the south the rainfall is excessive. The seasons in Chile are the reverse of those in the United States, winter beginning in June and summer in December.

Colombia.—The republic of Colombia has four seasons, two wet and two dry. The wet seasons include the months of April, May and June, and October, November, and December, these being periods when the sun is at its highest. The dry seasons represent the intervening months. This applies practically to the entire republic, but particularly to the interior plateaus.

Ecuador.—There are two seasons, the dry or summer from June to December, the wet or winter from December to May. During the summer the winds are hot and dry. During the wet the heat is intense, but there are heavy storms and great precipitation at night. This applies, of course, to the coast, while on the uplands, especially Quito, the seasons are not as definitely defined as at the seaboard.

Paraguay.—There are four seasons: winter, June, July and August; spring, September, October and November; summer, December, January and February; autumn, March, April and May. This applies practically to the entire country. During the summer months the rainfall is heaviest; during the winter it is less. The precipitation is fairly well distributed through the year.

Peru.—There are two fairly well marked seasons—winter, from March to October; summer, November to April. The rainfall differs greatly in the three sections of Peru. The coast region west of the mountains, temperate; the plateaus and elevations, dry and cold; the forest regions, warm and moist. During the summer months in the plateau regions the rainfall is comparatively heavy. The rainfall in the other portions of the country varies materially.

Uruguay.—There are four seasons: winter, June, July and August; spring, September, October and November; summer, December, January, February; autumn, March, April, May. Because of its latitude

and the mildness of the climate, only two seasons are generally recognized: the cool season, from May to October; the warm season, from November to April. The mean annual temperature differs only about 8 degrees. During the summer the winds which prevail in the interior blow steadily; during the cool season not quite so regularly. On the seacoast the *pamperos*, which are southwest winds, blow most frequently during the summer, frequently accompanied by heavy downpours of rain.

Venezuela.—There are two well recognized seasons—the dry season, November to March; the rainy season, April to October. In the interior the rainy season is longer than on the coast where it is but four months long, May to August.

Cuba.—There are two seasons—the dry extending from November to April; the wet from May to October inclusive. The temperature during the wet period is hotter than during the dry. More than two-thirds of the rainfall occurs during the wet period. Storms are more frequent during the autumn than at any other time, and especially so in the months of October and November.

Haiti.—There are two seasons—wet and dry. At Port au Prince the rainy season lasts from April to October. In other portions of Haiti there is a slight variation, but the rainfall is general throughout the island. The dry season is from November to March inclusive.

Santo Domingo.—The seasons are practically those of Haiti—wet and dry. The rainy season begins in April and ends in October. The dry period extends from November to March inclusive. The rainfall is quite general.

Central America

Costa Rica.—There is a wide difference in seasons in the different parts of Costa Rica because of the configuration of the republic. On the Pacific Slope the wet season may be said to last from April to December. During June there is a curious phenomenon—a ten-day dry period. Towards the Atlantic Coast the rain occurs during the dry months. The dry season or winter, in Costa Rica, lasts from December to February.

Nicaragua.—There are two seasons—wet and dry. The wet includes the months from May to November inclusive. This applies to the Pacific Coast. In the district influenced by the Caribbean, the wet season extends from June to December. The dry season lasts during the balance of the year, January to May.

Honduras.—There are two seasons—wet and dry. The wet lasts

from May to November, the dry from November to May. The greatest rainfall is along the coast where the temperature is most oppressive.

Salvador.—There are two seasons—the wet or winter, and the dry or summer. The rainy season extends from May to October, the dry from November to April. During July and August there are high winds. During September and October the rain is continuous, although not very heavy.

Guatemala.—There are two seasons—the rainy and the dry. The first begins, in the interior, in May and extends to October. On the coast it sometimes lasts until December. The dry period lasts from November to April.

Panama.—There are two seasons—the wet and the dry. The wet lasts from April to December 15, the dry from December 15 to April 1. Eighty-five per cent. of the rainfall occurs during the wet season. During the other period it is fairly dry and dusty.

Mexico.—Because of the configuration of the country, there is no marked seasonal division. Generally speaking, there is a rainy and a dry season. The rainy season generally begins in June and lasts until October. The rain is not continuous. It usually begins late in the afternoon, falls for several hours, and then the atmosphere becomes clear. In some portions of the republic rain occurs during the dry season. Along the coasts, especially the southern Gulf shore, there is a second rainy season during January and February. In other places along the Gulf coast and slopes which face the coast, it is never entirely dry.

A DETAILED DESCRIPTION OF THE LATIN AMERICAN REPUBLICS FROM THE COMMERCIAL STANDPOINT

INTRODUCTION

The following brief summary of conditions in the various republics of Latin America will be found useful to the reader. The résumé of the foreign commerce, the debt, railways, etc., afford means of an interesting comparison between the various countries.

THE REPUBLIC OF ARGENTINA

Language.—Spanish. Newspapers are published in Buenos Aires in Spanish, French, German, Italian, and English.

Currency.—Gold peso—100 centavos=\$0.965. Paper peso is convertible at 44 per cent of its face value, making it worth \$0.4246. The

gold peso is designated by the sign \$o/s, the o/s standing for *oro sellado* (coined gold). The paper peso is designated by \$c/1 or \$m/n, the c/1 standing for *curso legal* (legal tender) and m/n for *moneda nacional* (national money). Sometimes the abbreviations o/s, c/1 and m/n are placed before the \$, as o/s\$, or they may follow the figures, as \$500 o/s.

Weights and Measures.—Metric system.

Postage.—Postal Union rates. No parcel post arrangement with United States.

Area Square Miles		Population		Population Per Square Mile				
1,139,196		8,700,000		7.64				
Foreign Commerce								
Year	Total Imports	Imports from United States	Total Exports	Exports to United States				
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.		
1912	406,805,000	59,862,000	14.7	466,582,000	22,093,000	4.7		
Per Capita								
	Imports	Exports	Revenue	Expenditure	Debt	Interest		
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars		
	46.76	53.63	20.65	20.70	84.18	4.12		
Length of Railways		Telegraphs		Railroads		Telegraphs		
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1914	21,909	1913	45,272	142,104	25.2	19.2	52.0	163.3
Revenue and Expenditure								
		Year	Revenue		Expenditure			
			Dollars		Dollars			
		1914	179,637,000		180,091,000			
Debt								
	Funded	Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges	
Currency	Amount	Currency	Amount		Dollars	Per Cent.	Dollars	
£ Sterling	135,260,000	Pesos, gold	3,095,000		732,398,000	4-6	35,818,000	
		Pesos, paper	167,619,000					

Location, Area, Physical Characteristics.—The Republic of Argentina is in size the third largest of the American republics. It is bounded on the north by Bolivia and Paraguay, on the east by Brazil, Uruguay and the Atlantic Ocean, on the west by Chile. Because of its great length, about 2200 miles, its climate and products range from the tropical to the arctic. The area is about 1,139,400 square miles,

The physical characteristics of the country are generally vast plains. The western part of the republic is broken by the Andes Mountains with numerous gigantic peaks. There are also many very fertile valleys which afford splendid grazing. The river system is extensive with 1000 miles of waterways. The climate varies greatly, the northern part of the country being hot and moist. The extreme southern regions are very cold, the eastern regions are temperate, while in the west the temperature varies according to altitude. The mean annual temperature of Buenos Aires is 61 degrees, ranging between 28 and 103 degrees. In the northern part the temperature often reaches 190 degrees, while in Tierra del Fuego the mean temperature is about 42 degrees.

Population.—The population of Argentina (estimated 1911) is 7,200,000. The largest percentage of the native population consists of the mixed or Mestizo. There are about 30,000 pure Indians. Among the foreigners the Italians predominate, with the Spaniards a close second, and there are many thousand French, Russians, Servians, Austrians, Germans, English, and Brazilians.

Purchasing Power.—The purchasing power of Argentina has been rapidly increasing. As the exports are large and the country extremely productive, opportunities exist for American manufacturers in the supplying of practically every variety of merchandise and manufactures which can be sold in the United States. The range of prices and qualities is very large.

Railroads and Transportation.—Argentina is well served by railroads but especially in the central portion. The total number of miles is about 21,000, of which 3,100 are owned by the State, the balance by private corporations. The miles of roads of broad gauge are 13,000, standard gauge 1,700, narrow gauge 6,300. There are numerous steamship lines to the principal ports and an excellent river steamship service into Uruguay, Paraguay, and western Brazil.

Resources.—The chief resources of Argentina are agricultural and the exports consist principally of food products. In 1914 the exports totaled \$470,000,000. Of agricultural products, corn amounted to \$109,000,000, wheat and flour \$107,000,000, linseed \$48,000,000, oats \$20,000,000, bran \$4,000,000. Of animal products the total was \$166,000,000, of which beef and mutton amounted to \$42,000,000, wool \$45,000,000, hides and skins \$43,000,000, miscellaneous animal products \$6,000,000, tallow and grease \$10,000,000, manufactured products \$8,000,000, live stock \$10,000,000, forest products \$10,000,000, consisting mainly of quebracho logs and extracts.

Industries.—While Argentina is noted for its agricultural re-

sources, the number of industrial establishments has increased in fifteen years about 33 per cent. The principal industries are boot and shoe factories, saw mills, brick, tile, and cement factories, manufactures of iron products, meat refrigerators (*frigorificos*), forestal manufactures. The most important industry is that of the chilled meat establishments. The manufacture of dairy products is also increasing but the republic is essentially agricultural, not manufacturing.

Mining.—The mining development of Argentina has not been important although mineral deposits have been found in the Andes Mountains, and oil has also been discovered in the southern part of the country.

The Principal Cities.—The principal cities of Argentina are as follows: Buenos Aires, population 1,439,518; La Plata, population 106,382, 30 miles southeast of Buenos Aires; Bahia Blanca, 72,706, 530 miles by sea southeast of Buenos Aires; Rosario, 214,000, 214 miles northwest of Buenos Aires; Cordoba, 100,000, 432 miles northwest of Buenos Aires; Tucuman, 78,965, 720 miles northwest of Buenos Aires; Mendoza, 60,000, 647 miles west of Buenos Aires; Santa Fe, 48,600, 299 miles northwest of Buenos Aires; Salta, 40,000, 996 miles northwest of Buenos Aires; Jujuy, 20,000, 1006 miles northwest of Buenos Aires; San Juan, 15,000, 745 miles northwest of Buenos Aires; San Luis, 14,000, 485 miles west of Buenos Aires.

The Best Method of Canvassing the Republic.—For commercial purposes, the republic must be divided into several zones. While Buenos Aires naturally overshadows all the rest of the republic and is also the largest city in South America, there are many other important business places. The first city to be visited is, of course, Buenos Aires and the manufacturer who seeks to establish relations in Argentina will find it most advantageous to make this a basic point. From Buenos Aires trips can be made to the southeast, La Plata and Bahia Blanca; and to the northwest (via Rosario), Santa Fe, Tucuman, Cordoba, and Mendoza. When the obtaining of business depends upon local agencies these may be advantageously established as follows: Buenos Aires, Bahia Blanca, Rosario, Cordoba, Tucuman, and Mendoza. These are the most important strategic points, and not only the business interests of the merchants in the cities mentioned, but in the adjacent territory, can best be served.

Articles Most Needed.—One of the chief opportunities for American manufactures in Argentina is the sale of those products which in the past have been bought largely in Europe but particularly in Germany, Austria, and Belgium. Among the more important products which are salable in Argentina are the following: beer,

hardware, cutlery, tools, seed, electrical apparatus, dynamos, buttons, toilet articles, chemicals, safety matches, ties, paper, woolen manufactures, paint and oils, autos, iron beams, book paper, cotton hose, iron and steel, wire iron parts, machinery, earthenware, glassware, stoneware, galvanized pipes, steel rails, watches.

ARGENTINA

Foreign Commerce in Values

	Imports	Exports	Total
1912.....	\$373,397,865	\$465,979,518	\$839,287,383
1913.....	408,711,966	468,999,410	877,711,376
1914.....	263,663,363	338,776,517	602,439,880

Distribution of Foreign Trade (four principal commercial countries)

	Imports	Per cent. of whole	Exports	Per cent. of whole
<i>1913</i>				
United Kingdom.....	\$126,959,980	31.1	\$116,756,777	24.9
Germany.....	69,172,279	16.9	56,178,368	12.0
United States.....	60,171,867	14.7	22,207,965	3.0
France.....	36,933,537	9.0	36,586,981	1.2
<i>1914</i>				
United Kingdom.....	89,700,441	34.0	\$9,084,941	29.2
Germany.....	38,796,249	14.8	29,899,179	8.8
United States.....	35,585,913	13.4	41,980,985	12.3
France.....	21,721,747	8.2	19,372,480	5.7

THE REPUBLIC OF BOLIVIA

Language.—The laws and official records of Bolivia are kept in Spanish and it is the language of the educated people and polite society, as well as the business classes.

Currency.—Boliviano—100 centavos=\$0.389.

Weights and Measures.—Metric system has been adopted. Old Spanish weights and measures are commonly used in the retail trade, among them being the vara, 32.91 inches; quintal, 101 pounds; and arroba, 25.36 pounds.

Postage.—Postal Union rates. Parcel post with United States.

Area Square Miles	Population	Population Per Square Mile
708,195	2,268,000	3.20

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	21,358,000	1,900,000	36,551,000	218,000

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
9.42	16.12	3.70	4.23	8.54	.74

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	895	1912	3,811	5,562	3.9	1.3	16.8	24.5
Revenue and Expenditure								
			Year	Revenue		Expenditure		
				Dollars		Dollars		
			1914	8,392,000		9,589,000		
Debt								
Funded			Unfunded, Including Floating Non-Interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars		
Bolivianos.....	41,650,000	Bolivianos...	8,101,000	19,369,000	3-10	1,688,000		

Location and Area.—The republic of Bolivia is the third largest of the South American countries. The area is about 708,000 square miles. It is bounded on the north and east by Brazil, on the south by Paraguay, the Argentine Republic, and Chile, and on the west by Chile and Peru.

Physical Characteristics.—The chief physical characteristics of Bolivia are the mountain ranges of the Andes, the high tableland or plateau, as it is known, while in the eastern part there are vast forests and grassy plains. Because of the location and varying altitudes, there are many climates, ranging from the hot lowlands in the eastern section to the temperate plateau regions and the colder regions at all the elevations in excess of 13,000 feet. The temperature in the temperate region averages fifty-five degrees while in the lowlands the temperature is that of the tropics. The district in which is located the city of Cochabamba has the most pleasant climate.

Population.—The population of Bolivia, estimate of 1915, is about 2,270,000 or about 3.20 to the square mile. The inhabitants consist largely of Mestizos, although there are several hundreds of thousands uncivilized Indians. The number of higher classes is in the neighborhood of 700,000.

Purchasing Power.—The upper classes in Bolivia are limited in number, but the importations are relatively high and the wealth of the country is increasing. Although the requirements of the lower classes are not great, the total of staple imports is large. Because of the exploitations of the mineral wealth and the development of

the agricultural resources of the country, Bolivia offers a promising field for American manufacturers.

Resources.—The resources of Bolivia are chiefly mineral, but agriculture is receiving increasingly more attention. In the lowlands there are found the products of the tropical regions, including rubber, hard wood, tropical fruits, etc. Among the chief agricultural products of Bolivia may be cited rubber, cocoa, cinchona bark, from which is made quinine and coffee. The output of wool is on the increase and cattle raising is receiving more attention in the pastures of the eastern and southern parts of the republic.

Mining.—Bolivia is famous for its output of silver, tin, and copper, but particularly of silver, the republic being one of the largest producers of this metal, as of tin also. The mines of Potosi have been famous since the sixteenth century and have yielded ore whose value is in excess of \$3,000,000,000. With the extension of railroad facilities, the wealth of the republic will be more easily exploited, as it is now greatly hampered because of the difficulty of access.

Principal Cities.—The principal cities of Bolivia are the following: La Paz, population 78,856; Sucre, population 23,416, 385 miles from La Paz; Cochabamba, population 24,512, 279 miles from La Paz; Oruro, population 20,670, 152 miles from La Paz; Potosi, population 23,450, 90 miles from Sucre; Santa Cruz, population 20,535, 694 miles from La Paz.

Best Method of Canvassing the Republic.—The chief center of business in Bolivia is La Paz, which has a population of about 78,000. Some manufacturers find it advantageous to make sole connections with merchants or agents there and allow the rest of the country to be developed from that point. However, the commercial traveler would find it advantageous to visit the other trade centers, especially Cochabamba, Potosi, and Oruro. The republic can be reached via the ports of Antofagasta, Arica, and Mollendo, and many travelers find it desirable to enter the country at Arica, a seaport, via Mollendo. The chief agricultural center of the republic is Cochabamba, while Oruro, Potosi, and Santa Cruz are famous chiefly for their mines. If local agencies are the most effective means of marketing goods, they should be established in each of the cities, owing to the fact that the cities are located at such distances from each other. Particularly is this true of Santa Cruz which is almost 700 miles from La Paz.

Railroads and Transportation.—Bolivia has three lines of railways from the Pacific coast ports of Chile and Peru. These routes are as follows: (1) From Mollendo to Puno, Peru, thence via Lake Ti-

ticaca to Guagui, Bolivia, thence to La Paz, distance 525 miles; (2) from Arica, Chile, to La Paz direct, 274 miles; (3) from Antofagasta, Chile, to Oruro, Bolivia, thence connections with La Paz and other places, 790 miles.

Industries.—The industries of Bolivia are unimportant, being confined principally to the manufacture of articles for home consumption. These include the production of cheap clothing, sugar, chocolate, soap, etc.

Articles Now Needed.—An analysis of Bolivian imports indicates that Germany and the United Kingdom have dominated Bolivian trade. As the imports from Germany in 1913 were over \$7,000,000 and those from the United Kingdom almost \$4,000,000, against less than \$2,000,000 from the United States, the opportunities are self-evident. American manufacturers and exporters may find it very advantageous to lay the foundation now for the sale of goods to take the place of those heretofore bought in Europe, particularly from Germany. The principal articles for which opportunities exist are the following: arms and ammunition, rice, candles, cement, manufactures of cotton including piece goods, etc., powder and explosives, hats, hardware, barbed wire, dyes and chemicals, jewelry, drugs, pharmaceutical products, paper and cardboard, wearing apparel, canned meats and vegetables, beer, earthenware, chinaware, household utensils, leather, electrical materials, ink, combs, musical instruments, machinery, fancy goods, paints, matches, stationery.

Foreign Commerce in Values

	Imports	Exports	Total
1911.....	\$22,764,849	\$32,226,157	\$54,991,006
1912.....	92,308,506	35,147,965	54,456,471
1913.....	21,357,505	36,551,390	57,908,895

Distribution of Foreign Trade (four principal commercial countries)

	Imports	Exports
<i>1912</i>		
Germany.....	\$6,440,316	\$4,368,301
United Kingdom.....	3,537,112	26,112,023
United States.....	1,791,911	152,976
France.....	949,885	2,133,950
<i>1913</i>		
Germany.....	7,000,000	3,109,758
United Kingdom.....	3,850,000	29,548,087
United States.....	1,900,000	218,195
France.....	1,100,000	1,783,017

NOTE.—The classification of imports for 1913 are estimates. None of the Bolivian figures classifying the trade by countries can be very accurate owing to the fact that the entire foreign trade is carried on through adjacent countries and consequently cannot always be differentiated as to origin and destination.

THE REPUBLIC OF BRAZIL

Language.—Portuguese; German and Italian are also spoken in some settlements.

Currency.—Gold milreis—1,000 reis=\$0.546. Actual currency is paper, the exchange value of which in January, 1914, was \$0.3242. A cantos is 1,000 milreis. In expressing sums in milreis and reis the \$ is used in practically the same manner as a period. Thus the sum 125 milreis 225 reis is written 125\$225; again 125 milreis is written 125\$ or 125\$000.

Weights and Measures.—Metric is legal system. Of the old Portuguese weights and measures still used occasionally, libra=1.012 pounds, and arroba=32.38 pounds.

Postage.—Postal Union rates. Parcel post arrangement with the United States.

Area.—3,292,000 square miles.

Population.—24,000,000.

Capital.—Rio de Janeiro; population 1,500,000.

Area Square Miles	Population	Population Per Square Mile
3,292,000	24,000,000	7.39

Foreign Commerce

Year	Total Imports Dollars	Imports from United States Dollars	United States Per Cent.	Total Exports Dollars	Exports to United States Dollars	United States Per Cent.
1913	326,865,000	51,358,000	15.7	315,856,000	102,700,000	32.5

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
13.45	12.98	7.93	7.88	42.22	1.65

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabit- ants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabit- ants	Length of Wire per 10,000 Inhabit- ants
1914	15,279	1912	36,199	73,124	6.3	4.6	14.9	30.1

Revenue and Expenditure

Year	Revenue	Expenditure
	Dollars	Dollars
1914	192,729,000	191,656,000

Funded		Debt		Total in U. S. Currency Dollars	Rates of Interest Per Cent.	Interest and Other Annual Charges Dollars
		Unfunded, Including Floating Non-interest- bearing, Etc.				
Currency	Amount	Currency	Amount			
£ Sterling.....	91,609,000	£ Sterling...	2,000,000	1,026,312,000	4-6	40,121,000
Francs.....	299,032,000	Francs.....	278,502,000			
Milreis, paper..	701,383,000	Milreis, paper	601,488,000			

Location.—The republic of the United States of Brazil lies practically within the Southern Hemisphere, extending on both sides of the Equator, from the Torrid Zone into the South Temperate Zone. It is bounded on the north by British, French, and Dutch Guiana, Venezuela, and Colombia; on the west by Ecuador, Peru, Bolivia, Paraguay, Argentina and Uruguay; on the east and south by the Atlantic Ocean.

Area and Physical Characteristics.—The area of Brazil is 3,292,000 square miles, about 200,000 square miles larger than the United States. It comprises over 40 per cent. of all South America. Its extreme length is 2,630 miles, its width 2,540 miles. Brazil consists largely of rolling uplands and tablelands, some of which are very high. There are numerous mountain chains and a vast system of rivers.

Climate.—Every possible climate is represented, from the extremely torrid to the temperate, and the climatic conditions are effected materially by altitudes. In most parts of Brazil the climate is warm and moist. In the tropical division, the mean annual temperature is about 80 degrees Fahrenheit. In the semi-temperate division, which includes the mountainous parts of Brazil, the mean temperature averages 65 degrees. The rainfall varies materially and occurs in periods which are much dependent upon latitudes; thus in Pará, the annual rainfall is 20 inches with 291 days of rain; Rio de Janeiro, 43 inches, with 127 days of rain; Santos, 98½ inches, etc. The wet and dry seasons are materially different and are dependent upon latitude.

Population.—Brazil has a population of 24,000,000 or about 7.4 to the square mile. The population consists largely of four classes:

1st. White.

2nd. Mixed whites, of which a large percentage are whites,

3rd. Half-breeds, Indian and Negro blood.

4th. Negros and Indians.

The white population is descended from the Portuguese and there are large colonies of Germans and Italians, particularly in the states of Rio Grande and Sao Paulo. As immigration has been greatly encouraged, the number of immigrants from Europe until the outbreak of the European War was very large, principally Portuguese.

Italian, German, Spanish, Russian, etc. English and French residents are found in all the larger cities and the business of Brazil is greatly affected by this European influx.

Purchasing Power of the Different Classes.—The republic of Brazil has a high per capita purchasing power and importations from the United States are rapidly increasing. The staple necessities of the lower classes are an important item in the importations, while the increasing wealth of the growing upper class opens a rapidly developing field. The requirements of the white Brazilian and European population are those of the wealthiest nations and not only articles of common use but also luxuries of all sorts are in demand. Brazil is being developed from the agricultural as well as other standpoints, and the enormous wealth already existing in many portions of the country insures large sales of American products.

Chief Resources.—The great wealth of Brazil is largely due to its two chief products, coffee and rubber, which make up about 85 per cent. of its exports. Besides these, many other agricultural products are produced, including sugar, Paraguay tea, nuts, tobacco, cotton, etc. The coffee industry is especially important and rubber is a close second. The efforts of the Brazilian Government to insure a diversity of crops opens vast opportunities for American manufacturers in the sale of agricultural machinery suitable for their cultivation.

Other Resources.—The raising of cattle whose hides and skins are exported, the exploitation of the forests which produce mahogany, ebony, and other hard woods, the cultivation of plants which furnish fibers, the growth of tropical fruits, the gathering of medicinal plants, dye woods, etc., the raising of grapes for wines, etc., all contribute to the wealth of Brazil. Because of its vast area, the individual states and centers require study.

Mining.—Brazil is one of the very richest countries of the world in ores, with almost every kind of minerals. Valuable deposits of iron ore, zinc, lead, tin, copper, graphite, manganese, diamonds, etc., are found and are gradually being exploited, although they are still in a primitive state, owing to lack of capital and transportation facilities.

Industries.—The raising of live stock is being encouraged while lumbering is likewise receiving increasing attention. All articles useful in these industries can be sold.

Factories and Mills.—The number of factories in the more progressive states of Brazil is already large and their investments approximate several millions of dollars. These are principally flour mills, breweries, enamel factories, iron foundries, electric light plants, etc.

Great opportunities are afforded in the sale of machinery, equipment, and supplies suitable for such industries.

Principal Cities.—The principal cities of Brazil are Bahia, population 300,000, Manaus 50,000, Pará 200,000, Paramaribo 125,000, Porto Alegre 100,000, Rio de Janeiro 1,200,000, Sao Paulo 450,000, Nichteroy 35,000, Rio Grande do Sul 25,000, Santos 40,000, Victoria 25,000, Ceara 35,000, Maceio 30,000, Parahiba 35,000, Sao Luiz 35,000.

Best Method of Canvassing the Republic.—The republic of Brazil covers such a vast area that several distinct territories are absolutely essential in case it is decided to establish local agencies. No general agency for Brazil should be granted unless the house accepting it possesses a traveling organization capable of reaching all districts. As it takes over three weeks to make the journey from Rio de Janeiro to Manaus on the Amazon, the latter is obviously not a city to be included in the territory of an agency established at Rio. Naturally the capital, Rio de Janeiro, is the most important city strategically from a commercial standpoint. Before reaching it, however, the traveler from New York will touch at Pará where an enormous business is being done and which is the headquarters for northern Brazil.

The city and the port of Maranhão may be included in the territory of the agent at Pará and the traveler with a limited time may omit it, but Pernambuco should invariably be visited because of its great importance from the commercial standpoint. Bahia, which is 800 miles from Rio de Janeiro, with a considerable population, should likewise be included in the itinerary of the commercial representative, being the last important port before Rio. In southern Brazil the ports of Rio Grande do Sul and Porto Alegre are also important. In case it is desired to cover the countries thoroughly, the other cities mentioned above may be visited advantageously. Very frequently the time required to establish direct relations with the merchants of smaller communities is well spent, instead of depending upon the importers of the larger places. Whether the small places are visited depends upon the arrangements made with the dealers, but the importance of not granting an agency for the whole of Brazil to a concern in Rio de Janeiro must be stressed. There are some importers in the growing cities in the states of Minas Geraes and Sao Paulo, which may be made advantageously from Rio. The merchants of the more important communities are listed in the trade directories published by the Bureau of Foreign and Domestic Commerce.

Articles Most Needed by Brazil.—Almost all articles which can

be sold in the United States are salable in Brazil. The opportunities are greater than ever before, because of the European War.

Transportation Facilities.—For transportation the republic of Brazil is dependent, in large measure, upon its rivers and important lines of coasting ships. The railway systems already represent 160,000 miles, of which the government owns about 12 per cent. and state governments 25 per cent.; the balance is owned by private corporations. With the development of the mineral and agricultural resources of the country, the railroads will naturally be greatly extended.

Foreign Commerce of Brazil in Values

	Imports	Exports	Total
1911.....	\$257,164,128	\$325,271,614	\$582,435,742
1912.....	308,243,736	362,794,846	671,038,582
1913.....	326,428,509	315,164,687	641,593,196

Distribution of Foreign Trade (Four principal commercial countries)

1912		
	Imports	Exports
United Kingdom.....	\$77,615,548	\$43,065,547
Germany.....	53,018,079	51,928,195
United States.....	48,109,316	141,914,885
France.....	27,751,094	35,514,990
1913		
United Kingdom.....	\$79,881,000	\$41,701,815
Germany.....	57,043,754	44,392,410
United States.....	51,289,682	38,685,561

THE REPUBLIC OF CHILE

Language.—Spanish.

Currency.—Gold peso—100 centavos=\$0.365. Actual currency is paper money that fluctuates in value, the exchange rate of the paper peso on January 1, 1914, being approximately \$0.2061. The mark \$ when followed by the word oro means the gold peso; if followed by the abbreviation m. c. for moneda corriente, it means the paper peso. The gold peso is sometimes designated as peso of 18d., that being its value in terms of sterling.

Weights and Measures.—The metric is the legal system. Among old Spanish weights and measures still used are vara=32.91 inches; quintal=101.41 pounds.

Postage.—Postal Union rates. Parcel post arrangement with the United States.

Area.—292,100 square miles.

Population.—5,000,000.

Capital.—Santiago; population 500,000.

Area Square Miles			Population			Population Per Square Mile		
292,100			5,000,000			11.85		
Foreign Commerce								
Year	Total Imports		Imports from United States		Total Exports	Exports to United States		
	Dollars		Dollars		Per Cent.	Dollars	Dollars	Per Cent.
1913	120,274,000		20,089,000		16.7	144,653,000	30,418,000	21.0
Per Capita								
	Imports		Exports		Revenue	Expenditure	Debt	Interest
	Dollars		Dollars		Dollars	Dollars	Dollars	Dollars
	34.72		41.76		23.61	22.69	59.96	2.37
Length of Railways			Telegraphs			Railroads		Telegraphs
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabit-ants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabit-ants	Length of Wire per 10,000 Inhabit-ants
1913	3,958	1912	23,384	30,287	11.4	13.5	64.6	87.4
Revenue and Expenditure								
	Year		Revenue			Expenditure		
			Dollars			Dollars		
	1914		81,801,000			78,604,000		
Debt								
Funded		Unfunded, Including Floating Non-interest-bearing, Etc.				Total in U. S.	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount		Currency	Dollars	Per Cent.	Dollars
£ Sterling	34,498,000	Pesos, paper.	181,204,000			207,704,000	4½-5	8,212,000
Pesos, gold	5,917,000							

Location.—The republic of Chile is located on the west coast of South America, being the longest and narrowest country in the world. It is bounded on the north by Peru and Bolivia, on the east by the Argentine Republic, on the west by the Pacific Ocean.

Area and Physical Characteristics.—The area of Chile is approximately 305,000 square miles, with a coast line of almost 3,000 miles and an average width of about 90 miles. The chief physical characteristics are the two mountain chains called the Cordillera de la Costa, and the Andes, which traverse the country from north to south. Between these two chains lies the great central valley which

is very rich from the agricultural standpoint. There are numerous streams, although comparatively few are navigable. There are a number of high mountain peaks including Copiapo, 20,000 feet, and Parincata, 21,000 feet.

Climate.—The climate of Chile varies greatly because of the great length of the republic, about 3,000 miles. In the extreme northern regions the climate is hot and dry, with but little rain. Here the country is largely desert with the rich nitrate deposits. In the central region in which mining is carried on extensively the climate is more temperate. In the agricultural region the temperature is altogether temperate with abundant rains, making the fertile valleys exceedingly rich. In this region there are various forest regions, mineral deposits, etc. In the extreme southern portion it is cold, particularly in Patagonia and Tierra del Fuego. The temperature at Santiago averages 56 degrees Fahrenheit while in the extreme north the average is 91 degrees Fahrenheit, and in the extreme south 17 degrees Fahrenheit. Because of the vast differences in the climatic conditions of Chile, they must be carefully considered in studying business opportunities. The rainfall varies greatly, increasing from north to south. At Santiago the annual rainfall is 14 inches. At Valdivia the rainfall is almost daily, annual average 115 inches. At Atacama, in the extreme north, no rain has been known for over 50 years.

Population.—The population of Chile is estimated at between four and five millions. Chile is said to be the most homogeneous nation in South America. The people are largely the descendants of the Spanish conquerors who intermarried with the Indians. The peasant class of Chile is an industrious, peaceful race and, consequently, the republic has reached a high state of development. In all the commercial centers, particularly the more important ones, the European nations have numerous representatives.

Purchasing Power.—The purchasing power of Chile ranks high among the Latin American republics. This is due to the great and rapidly growing wealth of the republic which is chiefly due to the wonderful deposits of nitrate which have added enormously to the revenue of Chile, producing over \$500,000,000 in export taxes during 35 years. The extraordinary wealth of the upper classes makes possible the purchase of any luxury that is desired.

Chief Resources.—The chief source of Chile's wealth is nitrate. The nitrate beds are found in a territory of about 450 miles in length, stretching from Caldera to the River Camarones in the north. The sale not only of nitrate but also of its by-products, especially iodine, is a source of great revenue. The influence of the develop-

ment of the nitrate beds on the building of railroads and the consequent purchasing of supplies has been very important. Besides nitrate, enormous quantities of coal, copper, and borates have been exported. The chief copper mines of Chile are operated by American companies. Silver exists but latterly has not been produced in the quantities that formerly were found. Gold likewise exists, besides numerous other metals. Salt, zinc, graphite, sulphur, etc., are of some importance.

Other Resources.—Agriculture and stock raising are of scant importance in comparison with mining. The valleys and the plateaus offer excellent fields for these industries, and the outlook for the development of agriculture is better than it has been for years. The cultivation of desirable immigration will increase the importance of this industry. Besides the growth of cereals, there are raised numerous vegetables, alfalfa, etc. Fruit trees of all sorts are abundant, besides walnuts and fruits of the tropics, including oranges, lemons, coconuts, etc. Viticulture is an important and growing industry. Stock raising has been greatly developed and the exports of hides, goatskins, etc., are growing. The building of refrigerating and canning establishments has also resulted in the exportation of much frozen and canned meat besides the by-products of the packing plants.

The Lumber Industry.—Chile has an enormous wealth in forest land, which is now being developed. Much timber is produced and enormous trees are found suitable for furniture, tan-bark, etc.

Manufacturing.—The manufacturing interests of Chile have grown greatly in recent years and bid fair to rival the mining and agricultural industries of the republic. Particularly is this the case with the smaller manufacturing establishments which are used chiefly in the production of foods and food preparation, clothing, breweries, mills, and candle manufacturing, the production of chemical and pharmaceutical products, tobacco and its manufactures, the production of paper, printing presses, textiles, tanneries, woodworking establishments, etc. The growth of manufacturing will result in an increased sale for all sorts of machinery, engines, electrical appliances, etc.

Transportation.—The republic of Chile has an excess of 5,000 miles of railway in operation, of which two-thirds are owned by the republic, the remainder being in the hands of private corporations. The chief railways run north and south with numerous branches, spurs, and feeders. When the Longitudinal Railway is completed it will cover almost the entire length of Chile, about 2,200 miles. Some lines make connections with railroads in Bolivia, while there is also a connection with the Transcontinental Railroad

running to Buenos Aires. The continuous railway construction, and the improvement of old lines, make for a heavy purchase of locomotives, cars and railway supplies of all sorts.

Chief Cities.—The chief cities of Chile are the following: Santiago, population, 350,000; Valparaiso, 200,000; Antofagasta, 35,000; Concepcion, 70,000; Iquique, 40,000; Punta Arenas, 15,000; Talcahuano, 20,000; Valdivia, 16,000; Talca, 40,000; Chillan, 45,000; La Serena, 25,000; Temuco, 16,000.

Best Method of Canvassing the Republic.—Many American travelers visit Chile after having completed a tour of Argentina. On the other hand, some prefer to visit the west coast first and then go to the eastern republics. In either event, there are certain cities which should by all means be included. The most important are the following: Valparaiso is the chief port and commercial center of the republic, with an enormous shipping traffic, the greatest percentage of the imports coming in that way. The traveler should stop here first and become acquainted with commercial conditions. Santiago can easily be reached from Valparaiso, requiring less than four hours. This is a larger city than Valparaiso and with a considerable trade, and many firms, American houses, appoint agents either in Santiago or Valparaiso to cover the republic. In certain lines this may be recommended but should be done only where the resident agent can demonstrate that he is possessed of an efficient traveling organization to visit the other important places. For most lines it may be safely recommended that direct relations be established with reliable importers in the chief cities and that agents in one or another city should not be depended upon to obtain distribution. After Santiago and Valparaiso, important cities which should be visited are: Talca, lying south of Santiago, easily reached by the trunkline. Its port is Constitucion. South of this place lies Chillan, the capital of the province of Nuble and the center of an important trading district, particularly in cotton and horses. From this place a visit can be made to Concepcion which is the capital of the province of the same name and the center of an important German population. There are numerous manufacturers, and in the neighborhood are mines, farming districts, etc. On the Straits of Magellan is located the city of Punta Arenas which has become very important on account of the sheep-raising industry, besides being a distributing point for southern Chile. Near by are coal mines, gold and silver likewise being exported and cattle raising being an increasing source of wealth. To the north of Valparaiso is the city of Talta, which is in the province of Antofagasta. It is a regular port of call. Antofagasta is a little further north, and important because of being the terminus of the

Antofagasta Railway through which much of the commerce to Bolivia passes. Antofagasta is the key to Oruro in Bolivia. North of this point is Iquique, which is the second port of importance in Chile. Its importance is due to the great nitrate industry which is responsible for the wealth. Still further north is the port of Arica, the most northerly port of Chile. It is the terminus of a road connecting the port with La Paz, Bolivia. The chief wealth of the district is due to agriculture and fruit raising. Tacna, which is located at a short distance from the port of Arica, is the capital of the province of the same name and an important center of trade between Bolivia and the port of Arica. Near by are important copper smelting works. Coquimbo, situated about 200 miles north of Valparaiso, is the key to a very rich district and should be visited. Whether other places are to be visited depends upon the investigation of the traveler.

Articles Most Salable.—It will be realized from the foregoing description, that the republic offers opportunities for the sale of practically everything that can be exported. The wealth of the country is rapidly increasing and the outlook for the future is even more bright than it has been in the past.

Foreign Commerce of Chile in Values

	Imports	Exports	Total
1911.....	\$127,381,479	\$123,884,417	\$251,265,896
1912.....	122,075,994	139,878,201	261,954,195
1913.....	120,274,001	144,653,312	264,927,313

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United Kingdom.....	\$38,616,886	\$55,102,650
Germany.....	33,189,070	28,060,695
United States.....	16,806,341	24,514,565
France.....	7,261,061	7,668,570
	1913	
United Kingdom.....	\$36,109,211	\$55,548,341
Germany.....	29,578,138	30,772,743
United States.....	20,089,158	30,413,386
France.....	6,623,260	8,847,885

REPUBLIC OF COLOMBIA

Language.—Spanish.

Currency.—Gold dollar, \$1, United States currency. Actual cur-

rency is inconvertible paper, the exchange rate of which is approximately \$102 to \$1 gold.

Weights and Measures.—The metric is the legal system. Of the old Spanish weights and measures, the vara, 33.38 inches; the libra, 1.014 pounds, and the arroba, 25.36 pounds, are still used.

Postage.—Postal Union rates. Parcel post arrangement with United States; parcels cannot exceed 2 feet in length, and greatest girth permissible is 4 feet.

Area Square Miles		Population		Population Per Square Mile				
435,278		5,473,000		12.57				
Foreign Commerce								
Year	Total Imports	Imports from United States	Total Exports	Exports to United States				
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.		
1913	26,987,000	7,630,000	28.3	34,316,000	18,862,000	55.0		
Per Capita								
	Imports	Exports	Revenue	Expenditure	Debt	Interest		
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars		
	4.93	6.27	3.10	3.51	4.43	.51		
Length of Railways		Telegraphs		Railroads		Telegraphs		
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	621	1914	11,721	11,721	Miles 1.1	Miles 1.4	Miles 21.4	Miles 21.4
Debt								
Funded			Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency		Amount	Currency		Amount	Dollars	Per Cent.	Dollars
£ Sterling.....		4,035,000	Dollars.....		4,599,000	22,234,000	3-6	2,806,000

Location and Area.—This is the northernmost country of South America, with an area of 438,436 square miles.

Physical Characteristics.—Colombia is traversed by three chains of mountains, producing practically all climates, ranging from the extreme tropical to the regions of eternal snow. There are several important rivers, notably the Magdalena, which is the largest; there are also the Cauca, the Atrato, and the San Juan. The climate of the lowlands in general is torrid, but the plateaus enjoy a climate which is practically perpetual spring.

Population.—The population of Colombia, estimate of 1915, is 5,500,000, about 13 inhabitants per square mile. The Mestizo or

mixed white and Indian classes dominate, the all white population being very small. The Negroes and Mulattos number about 350,000 while there are many aborigines, said to number in the neighborhood of 150,000.

Purchasing Power.—As the well-to-do class is comparatively small the market for luxuries is limited, but there is a considerable importation of staple products needed by all classes. The development of the resources of the republic, particularly from the agricultural and mineral standpoint, makes this a promising field, which would be even more desirable if the difficulties of transportation could be overcome. Up to this time there has been comparatively little railroad building.

Resources.—The resources of Colombia are chiefly agricultural, the principal crops being coffee, bananas, ivory, nuts, and tobacco. The exports of bananas are growing as the Santa Marta district is being rapidly exploited by the United Fruit Company. The largest percentage of the exports is coffee, for which the republic is famous. The growth of vegetable ivory, sugar cane, cacao, and tobacco is also encouraged.

Other Resources.—The exports of rubber, Panama hats, hides and skins have also been increasing. The raising of cattle for hides should prove very remunerative because of the excellent grazing facilities on the hills and in the valleys. The exploitation of the valuable forests of the republic also offers good opportunities, particularly if assisted by the development of transportation facilities.

Mining.—Colombia is rich in mineral wealth, and gold has been one of the principal exports, the output having reached over \$7,000,000. There are many other regions in which gold is known to exist both in veins and in placers. Another important mineral is coal, the valuable deposits of which will prove a source of enormous wealth when developed. Most of the world's emeralds come from Colombia. Petroleum, iron ores, and other metals need only foreign capital to insure great wealth to the republic.

Principal Cities.—Colombia has about 25 cities whose population is in excess of 20,000. Each is usually the center of an important district, mineral or agricultural, or a port. Some are reached by railroads, but many are accessible only by steamboats or by animal transportation. The principal cities are the following: Bogota, 82,000; Barranquilla, 49,000; Cartagena, 37,000; Buenaventura, 6,000; Santa Marta, 14,000; Medellin, 72,000; Bucaramanga, 22,000; Pasto, 28,000; Socorro, 21,000; Cali, 28,000; Ibague, 25,000; Manizales, 35,000; Palmira, 25,000; Popayan, 20,000; Neiva, 22,000; Son Son, 30,000; Guaduas, 27,000; Monteria, 22,000;

Yarumal, 22,000; Cucuta, 21,000; Miraflores, 20,000; Loricá, 20,000; Cartago, 20,000; Palmira, 20,000; Andes, 20,000; Salamina, 20,000; Fredonia, 20,000.

Best Method of Canvassing the Republic.—Most of the travelers who visit Colombia enter via the ports on the Caribbean Sea, the chief one of which is Port Colombia, connected by rail with Barranquilla, 18 miles distant. Other important ports are Cartagena, Santa Marta, and Rio Hacha. All of these places may be reached by steamers from New York City and a number of European lines likewise touch there. The republic may also be entered at the ports of Buenaventura and Tumaco on the Pacific, which are visited by the steamship lines plying on the Pacific coast. It is customary for travelers to visit the city of Barranquilla first, as it is the most important commercial center in the east. Here are located a number of factories used to supply the demand for local necessities in cotton goods, certain lines of wearing apparel, chocolate, matches, etc. There is also an electric lighting and power system. From Barranquilla, representatives of certain industries find it advantageous to visit Santa Marta, the headquarters of the United Fruit Company, although most of the firms there are supplied from Barranquilla. Another important place is Cartagena, many of whose merchants import direct. It is found advantageous for some concerns to have a local agency to care for business in the coastal regions, and for this Barranquilla is the most advantageous. Commercial travelers enter the interior of the republic via the Magdalena River steamers, requiring ten or twelve days for the journey. The trip is generally made direct, although some travelers find it advantageous to visit Bucaramanga, capital of Santander, the center of a rich district and with a very promising future. Travelers also occasionally stop at Puerto Berrio, the port for the city of Medellin, the second largest city of the republic and naturally very important commercially. This city is an excellent place for the establishment of agencies to care for the district of Antioquia, and many important firms are established there. Bogota is the chief city of the interior and should be included in the itinerary of every visitor. When local agents are necessary one should always be established here, as he can then serve a considerable district. The city of Buenaventura on the Pacific Coast is an important commercial place where a large business is carried on. Local agencies may be advantageously established here to serve the entire Pacific Coast district. Cali, which is the capital of the department of Cauca, is 111 miles from Buenaventura, and also worthy of the visit of travelers, who will find excellent opportunities for business. The city of Popayan, being in a

strategic position for trade between Bogota and Quito, can also be visited to advantage. The time at the disposal of the traveler must determine whether any of the other places can be visited to advantage, but merchants in the other sections of Colombia are supplied by the importers of the cities mentioned.

Railways and Transportation.—The principal artery in Colombia is the Magdalena River, although other rivers are important. The total number of miles of railway operated in Colombia is 700, principally short lines connecting important places in the interior and some cities on either coast.

The country is peculiarly rich and with capital, credit, and the development of its transportation facilities would offer one of the best fields for North American enterprise.

Articles Now Needed.—The disturbance of business relations with the European countries affords an opportunity for American manufacturers to supply certain products. The principal ones are as follows:

Rice	Manufactures of cotton (including ready-made clothing)
Woolen cloth	Canned meats and vegetables
Blankets	Miscellaneous machinery
Hardware	Drugs
Barbed wire	Pharmaceutical products
Chemicals	Beer
Dyes	Mineral waters
Safety matches	Earthenware
Oils	Chinaware
Print paper	Household utensils of tin and enameled ware
Writing paper	Leather
Stationery	Miscellaneous manufactures of leather
Cardboard	Electrical material
Perfumery	Ink
Soap	Pigments for paints
Paints	Manufactures of rubber, celluloid, etc.
Varnishes	Combs and other manufactures of tortoise shell, horn, and bone
Arms	Musical instruments (including pianos, music boxes, and other instruments)
Ammunition	
Fancy goods	
Vehicles	
Crockery	

Foreign Commerce of Colombia in Values

	Imports	Exports	Total
1911.....	\$18,108,863	\$22,375,899	\$40,484,762
1912.....	23,964,623	32,221,746	56,186,369
1913.....	28,535,800	34,315,800	62,851,600

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United Kingdom.....	\$7,838,879	\$4,376,182
Germany.....	4,201,125	1,854,211
United States.....	7,612,037	15,832,882
France.....	2,011,886	625,199
	1913	
United Kingdom.....	\$5,837,490	\$5,566,000
Germany.....	4,012,100	2,216,200
United States.....	7,629,500	18,861,800
France.....	4,408,600	797,900

THE REPUBLIC OF COSTA RICA

Language.—Spanish. In Port Limon there are two newspapers, one in Spanish and the other with both Spanish and English sections. San José newspapers are Spanish.

Currency.—Colon—100 centavos=\$0.465.

Weights and Measures.—The metric is the legal system, but some old Spanish weights and measures are still largely used in local trade, among them being the vara, 33 inches, the arroba, 25.36 pounds, and the libra, 1.014 pounds.

Postage.—Postal Union rates. Parcel post.

Area Square Miles	Population	Population Per Square Mile
18,691	411,000	21 99

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars Per Cent.	Dollars	Dollars Per Cent.
1913	8,685,000	4,468,000 50 14	10,322,000	5,241,000 50 8

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
21.13	25 11	10 41	10 20	40 12	1 77

Postal Business

Domestic Money and Postal Orders Sent						Foreign Money Orders Sent		
Number			Value Dollars			Number		
			188,397					
Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabit- ants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabit- ants	Length of Wire per 10,000 Inhabit- ants
1914	402	1913	....	1,521	9.8	21.5	.....	37.0
<i>Debt</i>								
Funded			Unfunded, Including Floating Non-Interest- bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount		Currency	Amount		Dollars	Per Cent.	Dollars
£ Sterling.....	2,000,000		.....	.....		16,488,000	4-5	727,000
Francs.....	35,000,000							

Location, Area, and Physical Characteristics.—This is the most southerly of the five Central American republics. Its extreme length is about 280 miles and the width 156 miles. The area is about 23,000 square miles.

The Country in General.—A lofty plateau rising from low, sandy plains along both coasts. There are numerous mountain ridges and a number of great volcanoes.

Climate.—Along the coast the climate is quite tropical, being hot and moist, with a mean annual temperature of 78 degrees. On the plateau the climate is moderate, at San José, the capital, being 68 degrees. The rainfall at San José is between 60 and 70 inches. In the more tropical and lower levels the rainfall annually ranges between 120 and 140 inches.

Population.—By the estimate of January 1st, 1915, the population is 400,000, about 22 per square mile. The population is largely white, including several thousand foreigners. Among the latter are 2,200 Europeans and 600 Americans. There are only about 3,500 aborigines and 15,000 Negroes, principally from Jamaica. A high degree of racial purity exists and the population is very different from that of other Central American countries, particularly Guatemala.

Purchasing Power of the Different Classes.—Costa Rica is unique in its high per capita importation. This is accounted for by the small percentage of aborigines, and the fact that there is a larger middle class with substantial purchasing ability. The Negroes are principally employed in the cultivation of the banana plantations of

the United Fruit Company. The general wealth of the country insures a market for many American manufactures.

Resources and Wealth.—The resources are chiefly agricultural, the principal crops being bananas, coffee, and cacao, in the order named. The exports of bananas in 1914 totaled over ten million bunches. Costa Rican coffee is famous throughout the world and enjoys a high price. The production of cacao is rapidly increasing and many plantations are approaching the productive stage.

Other Resources.—Hides, rubber, and timber are additional resources. Hides are exported in moderate quantities as there are excellent grazing facilities on the hills and in the valleys. The output of rubber has also been enlarged and the exportation of valuable timber, principally cabinet woods, is increasing.

Mining.—The principal output of the mines of Costa Rica is gold largely taken from a group of mines known as the Aguacate. Aside from this there is but little mining development.

Industries.—The principal industries in Costa Rica are the manufacture of shoes, the distillation of liquors, and brewing. The republic is not in any sense a manufacturing one.

Principal Cities.—In order of importance the principal commercial places of Costa Rica are: the capital, San José, 30,000 population; Port Limon, 18,000; Cartago, 12,000; Punta Arenas, 7,600.

Best Method of Canvassing the Republic.—Costa Rica may be entered at Port Limon on the Atlantic and Punta Arenas on the Pacific. The traveler who goes via Port Limon will find it advantageous to canvass that city through which the bulk of importations pass, but should then go on direct to San José. For most products this city is the logical place in which to establish selling agencies as the merchants in other towns usually depend upon the distributors in San José. The dealers in the outlying places do not make purchases which are of sufficient importance to warrant direct importation. A number of American manufacturers are represented in Central America by agents whose headquarters are in San José and who make periodical trips to the other countries of Central America from this point.

Articles Now Needed.—In the past certain products have been imported largely from Belgium, France, and Germany. The chief opportunities for American manufacturers will be in obtaining this business. Following is a list of these articles: cement, dyes, coloring matter, chemicals, corks, bottle stoppers, rice, beer, tramway material, sewerage material, pharmaceutical products, cotton fabrics, woolen fabrics.

List of Principal Articles for Which Costa Rica Offers a Field.—The following articles would be desirable imports: coal, canned and preserved foods, leather, iron pipe, wheat flour, lumber, lard, butter, furniture, building material, electrical material, railway material, sawmills, coffee machinery, sewing machines, typewriters, agricultural machinery, sugar machinery, mining machinery, grain mills, cotton fabrics, woolen fabrics, silk fabrics.

Foreign Commerce of Costa Rica in Values

	Imports	Exports	Total
1911.....	\$8,867,561	\$9,020,149	\$17,987,710
1912.....	10,187,686	10,071,144	20,258,830
1913.....	8,778,497	10,432,553	19,211,050

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United Kingdom.....	\$1,291,003	\$4,193,036
Germany.....	1,503,944	559,566
United States.....	5,865,908	5,025,694
France.....	424,189	131,683
	1913	
United Kingdom.....	\$1,303,187	\$4,364,436
Germany.....	1,355,417	509,804
United States.....	4,515,871	5,297,145
France.....	391,681	96,666

THE REPUBLIC OF CUBA

Language.—Spanish.

Area.—44,164 square miles.

Population.—2,383,000.

Capital.—Havana; population 350,000.

Area Square Miles.	Population	Population Per Square Mile
44,164	2,383,000	53.92

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States		
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.
1914	133,975,000	71,380,000	28.3	34,316,000	18,862,000	55.0

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
54.15	69.03	15.34	13.73	27.33	1.80

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabit- ants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabit- ants	Length of Wire per 10,000 Inhabit- ants
1913	2,331	1912	5,065	6,184	9.4	50.8	20.5	25.0
Revenue and Expenditure								
			Year	Revenue		Expenditure		
				Dollars		Dollars		
			1913-14	37,940,000		33,974,000		
Debt								
Funded			Unfunded, Including Floating Non-interest- bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars		Per Cent.	Dollars	
Dollars.....	67,620,000			67,620,000		4½-5	4,458,000	

Location.—The island of Cuba lies about 72 miles southwest of the United States.

Area and Physical Characteristics.—The area of Cuba is 44,164 square miles. The country varies materially in characteristics, having fertile plateaus and valleys, lowlands along the coast, and a number of regular mountain chains.

Climate.—Along the coast the climate is tropical although made agreeable by the sea breezes. The heat grows less in approaching the interior because of the altitudes of the mountains and plateaus. The rainfall varies but is not excessive. The climate, except during the four months of summer, is almost ideal.

Population.—The population of Cuba is 2,500,000, about 56 to the square mile, being one of the most densely populated of the Latin American countries. The people of Cuba are: (1) Whites; (2) Mulattos (mixture of white and black blood); (3) Europeans. The Spaniards have greatly influenced the population and the greatest immigration has been from Spain, most of the business being in the hands of the merchants of that nationality. The immigration from the United States has been increasing and has influenced to no small degree the imports from this country.

Purchasing Power.—Cuba is one of the richest countries of Latin America and the per capita imports are extremely heavy. The wealth in general is much greater and the purchasing power of the Cuban people as a whole higher than in many of the other Latin American republics.

Chief Sources of Wealth.—The chief sources of Cuban wealth are sugar, tobacco, fruits, and forest products. By far the greatest

source of wealth is the cultivation of sugar, which has been developed to a high state of efficiency, as has likewise the production of tobacco.

Other Resources.—The by-products of the sugar industry—molasses, rum, etc.—make up an important item in Cuban exports. The raising of cattle for their hides and skins, the exploitation of the sponge fishing industry, the development of beekeeping with its accompanying production of honey and wax, are all important factors in the wealth of Cuba.

Mining.—Within recent years, the importance of Cuba as a mineral country has rapidly increased, due to the exploitation of iron, copper, and gold, but particularly of iron ore which is exported largely to the plants of the United States Steel Company.

Industries.—The principal manufacturing of Cuba is of small articles for local consumption. This is, of course, with the exception of cigars and cigarettes which represent a large percentage of the exports of manufactured tobacco.

Principal Cities.—The principal cities of Cuba are Havana, about 350,000 population, Santiago de Cuba, Cienfuegos, Matanzas, Cardenas, Sagua La Grande, Caibarien, Manzanillo, Nipe, Puerto Padre, and Guantanamo.

Transportation Facilities.—The republic of Cuba has one of the best systems of railways of the American republics. There are now in excess of 2,200 miles in service; consequently every important place can easily be reached. The service between Havana and Santiago is particularly good. There are also excellent lines of fast steamers and sailing vessels which can be taken if desired.

Best Method of Canvassing Cuba.—Cuba is easily reached from the United States by many lines and from numerous ports. The most important city is, of course, Havana and many manufacturers have found it advantageous to establish agencies there for the whole of Cuba. Havana offers excellent facilities for the solicitation of business in other communities because of their accessibility and the comparative shortness of the distances. If it is desired to establish other local agencies, a city that should be taken into consideration is Santiago which is at the other end of the island. Some houses find it preferable not to establish more than two agencies, in order to allow sufficient territory to make it of interest to the representative.

Articles Salable in Cuba.—Because of the great wealth of the country and the earning power of the people, there are opportunities for the sale of practically every kind of American merchandise and manufactures. The statistics of exports show that almost nothing which has a sale at home is excluded from Cuban importations.

Foreign Commerce of Cuba in Values

	Imports	Exports	Total
1911-12.....	\$120,229,000	\$146,787,000	\$267,016,000
1912-13.....	135,810,000	165,208,000	301,018,000
1913-14.....	134,008,000	170,797,000	304,805,000

Distribution of Foreign Trade (four principal commercial countries)

1912-13		
	Imports	Exports
United States.....	\$71,754,000	\$132,581,000
United Kingdom.....	16,097,000	15,663,000
Germany.....	9,515,000	6,498,000
France.....	8,237,000	1,826,000
1913-14		
United States.....	\$71,420,000	\$136,936,000
United Kingdom.....	14,581,000	18,242,000
Germany.....	8,276,000	4,436,000
France.....	8,257,000	2,652,000

DOMINICAN REPUBLIC

Language.—Spanish.*Area*.—19,325,000 square miles.*Population*.—700,000.*Capital*.—Santo Domingo; population 30,000.

Area Square Miles	Population	Population Per Square Mile
19,325	700,000	25.89

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	9,272,000	5,769,000	10,470,000	5,601,000

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
22.79	14.44	6.94	6.74	18.23	2.54

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	400	1911		1,269	5.5	14.3	17.5	17.5

Revenue and Expenditure						
Year		Revenue		Expenditure		
		Dollars		Dollars		
1913		5,035,000		4,890,000		
Debt						
Funded	Unfunded, Including			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
	Floating Non-interest- bearing, Etc.					
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
Dollars.....	13,218,000	Francs.....	70,000,000	316,693,000	4-5	17,582,000

Location.—The island upon which Haiti and the Dominican Republic are located is about 1,300 miles from New York, being 70 miles in the east from the island of Porto Rico.

Area and Physical Characteristics.—Its area is approximately 19,324 square miles. The country rises from the lowlands at the sea level to many valleys, plateaus, and mountain ranges, there being four almost parallel ranges which traverse the republic. The highest peak is Mt. Tina with an altitude of 10,300 feet.

Climate.—The climate is tropical, but very healthful and modified considerably by the altitude in the interior. The sea breezes make the climate even at the sea level very pleasant. The dry season is from December to March when the weather is the coolest; the wet or rainy season is from July to October. The average minimum temperature of Santo Domingo for a given year was 69 degrees Fahrenheit, the average maximum 86 degrees Fahrenheit. The rainfall generally is adequate.

Population.—The population of Santo Domingo is chiefly Creole in character, being composed of the descendants of Spaniards. There is also a percentage of European, African, and Indian blood, including Turks and Syrians, who, in general, dominate the dry goods trade of Santo Domingo. Spanish is the language of the republic. The population of Santo Domingo is about 700,000 or about 35 per square mile.

Purchasing Power.—In recent years, political conditions were excellent, and the purchasing power of the republic is rapidly increasing. The lower classes require certain staples which make up a large percentage of Dominican imports. The development of various industries and the increasing wealth of the better classes influence the purchase of luxuries as well as machinery, implements, etc.

Resources.—Santo Domingo is largely an agricultural country, the chief products being sugar, bananas, tobacco, coffee, and cacao; sugar is by far the most important. The output of cacao is rapidly on the increase.

Other Resources.—The fertile valleys make possible the raising of cattle, the hides of which are being exported in increasing quantities. Bee farming, the honey and wax being sold abroad, the gathering of medicinal plants, the production of fibers of many kinds, the raising of cocoanuts for copra, are further items which contribute to the wealth of the republic.

Mining.—As yet the exploitation of mines has not assumed commercial importance and no exports of minerals are reported, although because of the general formation of the republic it is believed that they exist.

Principal Cities.—The principal cities of Santo Domingo are Santo Domingo, Monte Cristi, Puerto Plata, Samana, Sanchez, San Pedro, Macoris, Azua, Barahona, Moca.

Best Method of Canvassing the Republic.—The chief ports of the Dominican Republic can be reached by numerous ways from New York. There is also a line which connects Cuba and Porto Rico with certain Dominican ports. The chief city of the Dominican Republic is its capital, Santo Domingo, which must be visited first.

Because of the comparatively limited opportunities, it may be advisable to confine an agency for the republic to an importer of this place. While the traveler is in the republic he may find it advisable to visit Sanchez, which is becoming increasingly important because of the cacao shipments, likewise Puerto Plata, and if there is time, San Pedro Macoris and Azua should also be included. For some lines, the other cities are good fields, but this can be determined in the capital.

Transportation Facilities.—The republic of Santo Domingo has about 100 miles of railways in addition to 230 miles of private lines on the large plantations. A service of coastwise steamers is available for travelers who desire to visit the various ports.

Articles Now Needed.—The principal imports have been manufactures of iron, textiles, steel, dairy products, rice, meat, flour, oils, etc. The well-to-do classes of Santo Domingo are becoming constantly larger users of the luxuries imported from the United States.

Foreign Commerce of Santo Domingo in Values

	Imports	Exports	Total
1911.....	\$7,949,662	\$10,995,546	\$17,945,208
1912.....	8,217,808	12,385,248	20,603,146
1913.....	9,272,278	10,469,947	19,742,225

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United States.....	\$5,100,001	\$7,274,606
Germany.....	1,628,286	1,774,049
United Kingdom.....	720,242	1,242,980
France.....	224,912	933,212
	1913	
United States.....	\$5,769,061	\$5,600,768
Germany.....	1,677,833	2,068,384
United Kingdom.....	730,191	241,810
France.....	274,318	887,907

THE REPUBLIC OF ECUADOR

Language.—Spanish.

Currency.—Sucre—100 centavos=\$0.487. Ten sures make a condor, equivalent to the pound sterling.

Weights and Measures.—Metric system adopted, but old Spanish weights and measures are still used to some extent. Of these the quintal=101.4 pounds; libra=1.014 pounds, and vara=33 inches.

Postage.—Postal Union rates. Parcel post arrangement with United States; limit of value, \$50.

Area.—116,000 square miles.

Population.—1,500,000.

Capital.—Quito; population 60,000.

Area Square Miles	Population	Population Per Square Mile
116,000	1,500,000	12.64

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1912	10,653,000	2,764,000	13,718,000	3,965,000
		Per Cent.		Per Cent.
		26.0		28.9

Per Capita

Imports		Exports		Revenue	Expenditure	Debt	Interest	
Dollars		Dollars		Dollars	Dollars	Dollars	Dollars	
7.10		9.15		6.31	6.81	13.19	1.74	
Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	652	1912	3,318	3,318	4.3	5.5	22.1	22.1

Revenue and Expenditure						
Year		Revenue		Expenditure		
		Dollars		Dollars		
1914		10,218,000		10,218,000		
Debt						
Funded		Unfunded, Including Floating Non-interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
Sucres.....	37,520,000	Sucres.....	3,125,000	19,780,000	4-10	2,604,000

Location.—Ecuador is located on the west coast of South America, at the Equator. It is bounded on the north by Colombia, on the east and southeast by Colombia and Brazil, on the south by Peru, and on the west by the Pacific Ocean.

Area and Physical Characteristics.—Ecuador contains about 116,000 to 119,000 square miles. It may be roughly divided into three different areas: (1) The coastal region lying between the Andes Mountains and the Pacific Ocean, extremely tropical in character and with a heavy tropical vegetation; (2) The higher, mountainous area including about one-third of the republic, with plateaus and valleys, and varying from three to twelve thousand feet above the sea level; (3) The eastern Andean region falling to the plains of the Amazon River. In Ecuador are found some of the highest peaks of the Andes and, in fact, some of the highest in South America. Among these are Chimborazo, 21,498 feet, Cotopaxi, 20,000 feet, etc. There are a number of important rivers, including the Guyas, the Marañon, the Daule, the Esmeraldas, etc.

Climate.—In the coastal regions the climate is distinctly tropical, being hot and dry, with a mean annual temperature of 80 degrees Fahrenheit. The dry season lasts from June to December; the wet season from January to June. The plateau regions which lie between two ranges of the Andes have a temperate climate closely resembling perpetual spring. The seasons are somewhat like those at the seaport. Quito has a mean temperature of 56 degrees Fahrenheit. In the third region or Montaña, particularly on the lower mountain slopes, the climate is tropical. The rainfall is very heavy and the temperature high.

Population.—The population of Ecuador is estimated at 1,500,000. The people are composed largely of Indians, representing from one-half to three-fourths of the population; Mestizos, between 300,000 and 400,000; and pure whites, 100,000 to 200,000. Naturally, representatives of European nations are found among the commercial classes in all the principal cities.

Purchasing Power of the Different Classes.—The large percentage of Indians in the population of Ecuador makes the per capita purchasing ability of this country smaller than that of some of the other republics. The upper classes are well-to-do and are rapidly developing a taste for all the articles which increasing wealth makes possible. The bulk of imports is to supply the staple requirements of the Mestizo and lower classes. The steady development of the republic will make for an increasing demand by all classes for American products and manufactures, in direct ratio to their purchasing ability.

Chief Sources of Wealth.—The resources of Ecuador are chiefly agricultural. The most important product is the cacao bean which represents over half the exports. Another product that is very important is the *tagua* or ivory nut, of which many millions of pounds are shipped to different markets of the world. Sugar is being raised in increasing quantities, while coffee, rubber, and plants used for medicinal purposes are likewise important factors in the foreign trade. Among these are the mangrove, kapok, fibers, etc. The various products enumerated will undoubtedly become increasingly important.

Other Resources.—One of the chief industries of Ecuador is the weaving of straw hats known as Panama hats, of which approximately a million and a half dollars' worth are shipped annually. Cattle breeding is growing in importance, and hides, as well as goat-skins, are being exported.

Mining.—Although Ecuador is recognized as having very rich deposits of metals, they have, as yet, been slightly developed. Those which are most commonly found are gold, mercury, copper, iron, lead, coal, silver ore, and platinum. Petroleum and sulphur have been found, and only the lack of transportation facilities prevents development of the coal deposits. The future for the mining industry of Ecuador is very bright.

Manufacturing Industries.—The manufacturing industries of Ecuador are carried on in a comparatively small way. The more important manufacturing plants are devoted to the production of woolen and cotton blankets, carpets, etc. Among the other industries represented are a shoe factory, flour mills, foundries, ice factories, and sugar refineries. There is a good and growing field in Ecuador for the sale of machinery and equipment for smaller manufacturing establishments.

Principal Cities.—The principal cities of Ecuador are the following: Guayaquil, population 80,000; Quito, the capital, 80,000; Cuenca, 35,000; Loja, 12,000; Riobamba, 15,000; Machala, 6,000.

Best Method of Canvassing the Republic.—The chief commercial city of Ecuador is Guayaquil, which is situated on the Guayas River 35 miles above its mouth and easily accessible, to vessels drawing 25 feet, via the Gulf of Guayaquil. Many manufacturers are satisfied to place their representation with firms in Guayaquil when the latter have facilities for visiting the other places throughout the republic. This is the first point the traveler visits and for that reason he can early decide what is the best course to pursue. From Guayaquil the trip is usually made to Quito, the capital, also an important commercial center. This should be included in the route of every traveling representative. On the way back from Quito, if it has been found inadvisable to depend upon agents in Guayaquil or Quito, the following cities are worthy of visits: Ambato, which is in the center of an important agricultural district; Riobamba, the chief city of a district in which cattle raising is carried on extensively, besides agriculture, etc.; Cuenca, in the province of Azuay, a rather important place noted for its agriculture and stock raising; Esmeraldas, which is located in the western part of that province, may be found desirable for the establishment of an agency for an otherwise isolated district; Manta, situated in the province of Manabi, is the port for the towns of Jipijapa and Monte Cristi, the principal places for the production of Panama hats. Manta may, for certain lines of merchandise, prove a good place to visit.

Transportation Facilities.—In the republic of Ecuador, the principal railway extends from the port Guayaquil to Quito, a distance of almost 300 miles. The balance of the lines are short strips running between some of the smaller places. The total mileage in operation in Ecuador is 365. There is a considerable use of the rivers for transportation where these are navigable.

Articles Salable in Ecuador.—The chief imports of Ecuador have been foodstuffs, clothing, manufactures of iron and steel, hardware, machinery, and textiles, the latter the most important. The more important cities of Ecuador today offer opportunities for the sale of almost anything that can be exported to South America.

Foreign Commerce in Values

	Imports	Exports	Total
1911.....	\$11,489,104	\$12,692,237	\$24,181,341
1912.....	10,354,564	13,689,696	24,044,260
1913.....	8,836,689	15,789,367	24,626,056

Distribution of Foreign Trade (four principal commercial countries)

	1912	Imports	Exports
United Kingdom.....		\$3,058,391	\$2,042,278
United States.....		2,686,712	3,957,306
Germany.....		2,105,372	1,523,356
France.....		616,053	4,096,863
	1913		
United Kingdom.....		\$2,617,027	\$1,620,092
United States.....		2,817,754	3,833,728
Germany.....		1,563,129	2,627,353
France.....		434,740	5,382,352

THE REPUBLIC OF GUATEMALA

Language.—Spanish.

Currency.—The value of the Guatemalan silver peso on January 1, 1912, was given by the United States Treasury Department as \$0.40. The actual currency of the country is inconvertible paper, subject to wide fluctuations. Peso=100 centavos; real=12½ centavos; medio real=6¼ centavos.

Weights and Measures.—The metric is the official system, but some old Spanish weights and measures are still used in local trade, among them being the vara=32.87 inches and the arroba=25.36 pounds.

Postage.—Postal Union rates. Parcel post.

Area Square Miles	Population	Population Per Square Mile
48,290	2,119,000	43.88

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	10,062,000	5,053,000	14,450,000	3,923,000

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
4.75	6.82	1.31	1.26	8.29	.66

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1914	502	1913	....	3,783	2.4	10.4	.....	17.9

Debt

Funded.		Unfunded, Including Floating Non-Interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
Pesos, gold. . . .	11,584,000	Pesos, paper.	107,885,000	17,577,000	4-8	1,401,000

Location, Area, and Physical Characteristics.—The republic of Guatemala is the most northerly of the Central American republics. It is bounded on the north and west by Mexico and British Honduras, on the east by the Atlantic Ocean and Spanish Honduras, on the south by Salvador and the Pacific Ocean. Its area is approximately 48,290 square miles. The altitude of the country is very clearly defined into three regions; the hot coast lands less than 2000 feet above sea level, the temperate regions between 2000 and 6000, and the colder regions which lie at an altitude of 6000 feet and higher.

Population.—The population of Guatemala, as estimated in 1915, is 2,100,000, or about 43 per square mile. The largest proportion of the people (about 60 per cent.) is comprised of pure-blooded Indians of many different tribes. The rest of the population consists largely of a mixed class which includes most of the business men. Of foreigners there are about 1600 Americans, 600 Spaniards, 700 Italians, 800 Germans, 200 English, 100 French, and 150 other Europeans.

Purchasing Power.—In consequence of the large percentage of Indians, the per capita importations of Guatemala are rather small, although the possibilities for the future are great. Many American products have a sale among the better classes. Agricultural machinery, tools, and other modern implements are needed in the outlying districts.

Resources.—The chief source of Guatemalan wealth is coffee, which forms the largest percentage of its exports. The banana industry dominated by the United Fruit Company has been growing and in 1913 exports of this item amounted to about \$825,000. Other exports consist of cattle, hides, sugar, timber (principally hard woods), rubber, and chicle.

Mining.—The mineral wealth of Guatemala is conceded by all authorities to be great, although the output until now has been small. This has been due to the lack of transportation facilities, to unfavorable mining laws, and to other causes which have been removed. The possibilities for the development of this industry are very promising.

Industries.—Guatemala is not an industrial country. The manufactures are limited to a modern textile mill for which cotton is

imported; there are also a number of ice factories, breweries, tanneries, and small factories in which are made furniture, soap, candles, shoes, etc.

Principal Cities.—In order of importance the principal commercial places of Guatemala are the following: Guatemala City, population 100,000; Quezaltenango, 30,000; Coban, 22,000; Totonicapam, 18,000; Chiquimula, 12,500; Antigua, 12,000; Escuintla, 13,000; Retalhuleu, 8,000; Puerto Barrios, 8,000.

Best Method of Canvassing the Republic.—The republic of Guatemala can be entered from both the Atlantic and the Pacific oceans. On the Atlantic the principal seaports are Puerto Barrios, terminus of the Northern Railway, and Livingston. The ports of the Pacific are San José, Champerico, and Ocos. San José is the starting point of the Guatemala Central Railway, by which most of the travelers enter the republic. Travelers usually find it most advantageous to canvass the republic from Guatemala City, in which selling agencies are logically established and to which city most of the general merchants of the interior come for their supplies. Generally speaking, it does not pay the exporter, unless dealing with individuals whose purchases warrant it, to establish direct relations with merchants in the cities outside of Guatemala, except in Quezaltenango, which is about 120 miles from the capital and in the heart of a very rich coffee and corn region. Many firms have found it advantageous to establish representatives at this place, which can best be reached from Champerico although a branch railroad is in course of construction from the Guatemala Central Railway. Similar arrangements may also be made in Coban, which is about 90 miles from the capital and is likewise the center of a rich agricultural district.

Railways and Transportation.—Guatemala has excellent connections by railway between the ports and the capital. There are other lines reaching some of the principal places, the total mileage being 500.

Articles Now Needed.—Many of the goods imported into Guatemala previous to the European War came from Europe, Germany having supplied over two million dollars' worth. Trading with the other European countries may also be handicapped for a time, and a portion of that commerce may be obtained by American firms if the right effort is made.

Articles Now Needed.—One of the opportunities of the American manufacturer is afforded by the sale of articles which have hitherto been bought exclusively in Europe, or the sale of which the European nations have controlled. The principal articles of this character are the following: beer, mineral waters, cement, cutlery and tin-

ware, barbed wires, leather, rice, dyes, candles, glass and glassware, miscellaneous cotton goods (including ready-made clothing), manufactures of linen, tools and implements, paper, books, stationery, canned and preserved fruits, drugs and chemicals, perfumery and toilet articles.

Foreign Commerce of Guatemala in Values

	Imports	Exports	Total
1912.....	\$9,822,462	\$13,156,538	\$22,979,000
1913.....	10,062,328	14,449,926	24,512,254
1914.....	9,331,115	12,754,026	22,085,141

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United States.....	\$4,532,361	\$3,863,829
United Kingdom.....	1,739,598	1,458,492
Germany.....	2,250,862	7,653,557
France.....	436,882	969
	1913	
United States.....	\$5,053,060	\$3,923,354
United Kingdom.....	1,650,387	1,600,029
Germany.....	2,043,329	7,653,557
France.....	402,025	21,268

THE REPUBLIC OF HAITI

Language.—French.

Area.—10,200 square miles.

Population.—2,000,000.

Capital.—Port au Prince; population 90,000.

Area Square Miles	Population	Population Per Square Mile
10,200	2,000,000	225.79

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	10,935,000	6,499,000	17,273,000	842,000
		Per Cent.		Per Cent.
		59.4		4.9

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
4.37	6.91	2.51	3.25	17.15	1.19

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	140	1910	124	124	.6	12.6	.5	.5
Revenue and Expenditure								
Year			Revenue		Expenditure			
			Dollars		Dollars			
1913-14			6,282,000		8,127,000			
Debt								
Funded			Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount		Currency	Amount	Dollars	Per Cent.	Dollars	
Dollars.....	12,763,000		Dollars.....	7,077,000	42,863,000	2½-5	2,984,000	
Francs.....	119,286,000							

Location.—The republic of Haiti occupies the western portion of the island of Haiti. It is about 1200 miles from New York.

Area and Physical Characteristics.—Haiti has an area of about 12,000 square miles. It is very mountainous and has numerous valleys besides many natural harbors. There are numerous rivers, but in the main unnavigable.

Climate.—The climate is naturally tropical, being particularly warm along the coast where it is hot and moist, although the sea breezes, which blow steadily, make the climate very agreeable. On the plateaus and in the uplands the latitude renders the conditions very delightful. Haiti is, on the whole, very healthful. The rainfall is sufficient for the needs of the island, but not excessive.

Population.—The population of Haiti is estimated at 2,000,000, or about 200 per square mile. The people are chiefly of African blood, but there are some Europeans and Americans. French is the chief language spoken, and Haiti has come very greatly under French influence.

Purchasing Power.—Haiti is extremely rich, possessing large mineral resources which are quite undeveloped, besides a wonderful wealth in tropical agriculture. Because of the unsettled political conditions which prevailed prior to this time, the resources have not been exploited, but with the signing of the treaty with the American Government for the administration of the revenues of the island a rapid development will unquestionably follow. The purchasing power of the lower classes has been confined to the staple necessities, but there

is an increasing sale for luxuries which will undoubtedly show a still larger growth during the next few years.

Resources.—The chief resources of Haiti are agricultural. The products are mainly coffee (of which a high grade is produced), cacao, cotton, fibers, tobacco, etc.

Other Resources.—Haiti exports large quantities of logwood, medicinal plants, etc. The raising of cattle is becoming increasingly important, and goatskins are one of the most important items in the exports.

Mineral Resources.—The republic has large deposits of valuable metals—gold, silver, tin, sulphur, etc.—but thus far they have not been developed. The outlook for these industries in the future is very bright.

Manufacturing Industries.—The manufacturing industries of Haiti are not important, being confined principally to the manufacturing of soap, shoes, and small items for local consumption. The by-products of the sugar industry, rum and spirits, are produced.

Transportation.—In the republic of Haiti there are a number of lines of railway in operation, and the lines which have been projected will undoubtedly be constructed during the next few years. The total now is about 70 miles, consisting principally of short lines in particular localities. The construction of the railroads will result in the development of splendid lands suitable for grazing, farming, etc. Most of the rivers are not navigable, but one, the Artibonite, can be used for about 100 miles.

Chief Cities.—The chief cities of Haiti are: Port au Prince, Cape Hatien, Petit Goave, Port de Paix, Gonaives, Goave, Aux Cayes, Jacmal, and Jeremie.

Best Method of Canvassing the Republic.—The chief city of Haiti is Port au Prince. It is here that many American manufacturers have established agencies with responsible firms who are in a position to visit the other places in the island. Because of the comparatively limited field, it may prove advisable to place the representation exclusively in the hands of an agent at Port au Prince. Although the city of Cape Hatien is also important, the traveler who visits Haiti should stop first at Port au Prince, and, after looking over the field, reach a decision in reference to the other parts of the country.

Articles Needed.—The chief needs of Haiti are cotton, textiles, hardware, iron and steel, lumber, food products, lard, flour, sewing machines, etc. Almost all products and manufactures can be sold in at least the larger cities of Haiti.

Foreign Commerce in Values

	Imports	Exports	Total
1911.....	\$7,948,117	\$18,553,660	\$26,501,777
1912.....	9,876,555	17,285,485	27,162,040
1913.....	8,100,125	11,315,559	19,415,684

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United States.....	\$7,302,484	\$1,100,000
France.....	1,050,416	8,500,000
United Kingdom.....	761,206	1,300,000
Germany.....	484,915	6,100,000
	1913	
United States.....	\$5,908,956	\$1,000,000
France.....	817,335	5,000,000
United Kingdom.....	593,319	800,000
Germany.....	535,544	4,200,000

THE REPUBLIC OF HONDURAS

Language.—Spanish.

Currency.—The value of the Honduran silver peso on January 1, 1912, was given by the United States Treasury Department as \$0.40. The actual currency of the country is inconvertible paper, which fluctuates widely in value. Peso=100 centavos; real=12½ centavos; medio real=6¼ centavos.

Weights and Measures.—The metric is the legal system, but the natives still use some of the old Spanish weights and measures, among them being the vara=32.87 inches, and the arroba=25.36 pounds.

Postage.—Postal Union rates. Parcel post.

Area Square Miles	Population	Population Per Square Mile
46,250	589,000	13.09

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	5,133,000	3,464,000	3,300,000	2,869,000
		Per Cent.		Per Cent.
		67.5		86.9

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
8.71	5.60	3.57	3.57	205.88	.26

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1914	174	1913	305	3,212	3.0	3.8	5.2	54.5

				<i>Debt</i>		
Funded		Unfunded, Including Floating Non-interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent	Dollars
£ Sterling.....	24,324,000	Pesos, silver..	6,625,000	121,261,000	5-10	152,000

Location, Area and Physical Characteristics.—The republic of Honduras is the third in size of the Central American republics. It is bounded on the north by the Caribbean Sea, on the south by Nicaragua, Salvador, and the Pacific Ocean, and on the west by Guatemala. Honduras is mountainous practically throughout its area. The climate varies materially, being tropical along the coasts, temperate in the upland plateaus and valleys. These plateaus are very large in extent and area. The climate in the principal towns in the interior averages 74 degrees Fahrenheit with but slight variations.

Population.—The population of Honduras is about 600,000, or 13 inhabitants to the square mile. The largest percentage of the people are Indians, a part of whom are still uncivilized. The better classes are largely descendants of the Spanish with a mixture of the natives. Some Europeans are found in all of the principal cities, and the large percentage of Americans in the ports on the east coast is due to the operations of the United Fruit Company.

Purchasing Power.—The purchasing power of Honduras has been growing in consequence of the development of its industries, particularly agriculture. The opportunities for American merchants lie in the supplying of machinery, materials, and supplies for the principal industries, and for the wants of the more wealthy in the larger cities.

Resources.—The chief resources of Honduras are agricultural and the raising of bananas is the most important pursuit. The Atlantic Coast region is particularly rich in banana plantations, which are responsible for the growth of Puerto Cortez, Coiba, Trujillo, and Tela as ports. Other important agricultural products are coffee, tobacco, cacao, cotton, etc. The plateau regions afford means of raising the products common to the Temperate Zone, principally cereals, corn, fruits, vegetables, etc. The raising of cattle has be-

come increasingly important and they have already been exported to Cuba as well as to the United States. Mahogany, pine, and other important woods are found in the forests and their exportation is purely a question of the development of transportation facilities.

Mining.—One of the chief sources of wealth of Honduras is the gold and silver mines. There are also important deposits of coal, and many other minerals have been located but their exploitation has not been undertaken. The ore already in sight in a number of the mines now being operated indicates profitable operations for many years to come. One mine near Tegucigalpa, the Rosario, has had an enormous production of precious metals.

Industries.—The industries of Honduras are practically negligible and confined to the manufacture of certain articles needed for local sale.

Principal Cities.—The principal cities of Honduras are: Tegucigalpa, the capital, with about 30,000 population; Tela, 2500; La Ceiba, 6000; Trujillo, 2500; Amapala, 3500; Nacome, 8100; San Pedro Sula, 9000; Puerto Cortez, 2500; Comayagua, 8000; Choluteca, 11,000.

Best Method of Canvassing the Republic.—For commercial purposes the republic of Honduras should be divided into two parts: the northern and eastern coast, and the southern or Pacific division. It is important to recognize that communication between the capital and the northern coast is very difficult and conditions in the two sections are dissimilar. The northern coast is in close communication with New Orleans and Mobile by reason of the steamers which ply between those ports and the banana ports of the republic. Traveling salesmen who "make" this portion of the republic usually come by way of New Orleans, and if necessary to visit the smaller places, it is the custom to charter motor launches or small schooners. From Puerto Cortez there is railroad communication with San Pedro Sula, 37 miles distant. The latter is an important place and an excellent point for the establishment of an agency. Trujillo is also an important port. Tela, which lies between the ports of Puerto Cortez and La Ceiba, is the administrative center for the United Fruit Company and therefore an excellent place for commercial travelers to visit. The other part of the republic is entered by way of the port of Amapala on the Bay of Fonseca. There is no railroad connection between Amapala and the capital and it is necessary to make the trip via automobile or horseback. Tegucigalpa is the most important city in that portion of the republic, but if the traveler has penetrated so far inland, it will be advisable to visit Comayagua, the center of an important agricultural and mining district. Agencies should be established in Tegucigalpa, but only for the adjacent

territory and not for the ports on the Caribbean Sea, which are practically inaccessible from there.

Railroads and Transportation.—The principal railways of Honduras are on the east coast of the eastern section, serving principally the fruit regions. The total is 150 miles.

Articles Now Needed.—One of the opportunities for American commerce in Honduras will be the sale of certain products which have heretofore been bought in Germany, France, and Belgium. Among the more important of these are the following: light hardware and cutlery, tinned meats, confectionery, beer, crude drugs and chemicals, safety matches, ordinary soaps, dyes, paper, heavy chemicals, canned goods and vegetables, rice, condensed milk, iron roofing, iron construction materials, paint and oils, cotton goods and prints, woolen manufactures.

Foreign Commerce of Honduras in Values

	Imports	Exports	Total
1911-1912.....	\$4,317,314	\$3,080,178	\$7,397,492
1912-1913.....	5,132,678	3,200,254	8,432,032
1913-1914.....	6,624,930	3,421,331	10,046,261

Distribution of Foreign Trade (four principal commercial countries)

1912-1913

	Imports	Exports
United States.....	\$3,457,074	\$2,869,188
United Kingdom.....	712,750	13,467
Germany.....	558,327	176,112
France.....	148,280	.....

1913-1914

United States.....	\$5,262,043	\$2,914,157
United Kingdom.....	459,762	17,896
Germany.....	521,837	164,607
France.....	141,597	.....

THE REPUBLIC OF MEXICO

Language.—Spanish.

Area.—767,097 square miles.

Population.—16,000,000.

Capital.—Mexico City; population 500,000.

Area Square Miles	Population	Population Per Square Mile
767,097	16,000,000	20.15

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States		
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.
1913	93,020,000	44,510,000	47.8	129,971,000	98,544,000	75.8

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
6.02	8.41	4.18	4.55	14.06	.89

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1912	16,103	1912	22,452	46,437	10.4	21.0	14.5	30.1

Revenue and Expenditure

Year		Revenue		Expenditure	
		Dollars		Dollars	
1913-14		64,544,000		70,296,000	

Funded		Unfunded, Including Floating Non-interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
Pesos.....	453,960,000	Pesos.....	667,000	226,404,000	3-5	13,761,000

Location.—The republic of Mexico lies immediately south of the United States, is bounded on the north by the United States, on the east by the Atlantic Ocean, on the south by Guatemala, on the west by the Pacific Ocean.

Area and Physical Characteristics.—The area of Mexico is 767,097 square miles, including islands. The chief physical characteristics are the two mountain chains which traverse the republic from northwest to southeast. Between these there are vast plateau regions of different altitudes and numerous fertile valleys. The largest of the plateaus is that on which is located the City of Mexico.

Climate.—The climate varies according to location and altitude. Much of Mexico is tropical but a large part is temperate, particularly that part of the country represented by the plateaus. There are several extinct volcanoes of considerable height. Along the coast in the southern part of Mexico the climate is tropical, being hot and moist. This also applies to the coastal regions of the Pacific. On the plateaus the temperature is very moderate, in Mexico City the mean annual temperature being around 68 degrees. There are two seasons, the wet and the dry, otherwise known as winter and

summer. The rainfall varies materially, but in some parts it is extremely heavy.

Population.—The latest estimate gives Mexico a population of between fifteen and sixteen millions. Of these, about twelve millions represent the peon or peasant class, the balance of the population being divided between the Mestizos and pure whites. European nations and the United States have been well represented in all the principal cities of the republic and in many of the outlying districts where important construction, mining, and other industrial enterprises have been carried on.

Purchasing Power of the Different Classes.—In Mexico the purchasing power per capita varies materially. This applies even to the peon class. In the northern part where higher wages have been paid, the native has been able to purchase many articles which would ordinarily be considered luxuries. The upper classes have always been large purchasers of all the luxuries and the latest developments of science and manufacture. In the outlying districts the purchases of the natives have been confined largely to staple necessities which are, however, now being largely produced within the country.

Chief Resources.—Mexico is a wonderfully wealthy country from every standpoint, agricultural, mineral, timber, etc.

Agricultural Industries.—The agricultural industries of the republic are concerned with the raising of cereals, corn, wheat, etc. There are also produced numerous tropical products including fruit, coffee, tobacco, sugar, etc. The growth of henequen, or the fiber known as sisal, is the chief industry of Yucatan. Chicle, the basis of chewing gum, is an important product. Guayule, artificial rubber, is also widely cultivated.

Live Stock Industry.—The raising of cattle, sheep, and goats runs into many millions, while the production of hogs, horses, mules, etc., is likewise growing. The exports of goatskins and hides run into the millions.

Mining.—One of the chief industries of Mexico is mining, which represents an enormous investment of capital, American, English, French and Mexican. The exports of the leading metals, including silver, gold, copper, and lead, exceed \$80,000,000 annually, silver being the leading export. Gold and copper are becoming increasingly important items of export, while the development of the oil fields in southern Mexico is phenomenal. In the northeastern portion of the republic the output of coal and coke is increasing in importance.

Manufacturing Industries.—The republic has been steadily advancing in manufacturing. Native cotton is being utilized to a

constantly growing extent. Among the other manufacturing activities are cigar and cigarette factories, breweries, sugar mills, paper mills, woolen mills, bag factories, soap factories, packing plants, shoe factories, candy factories, furniture factories, flour mills, tanneries, electric light and power plants, nail factories, etc. The outlook for manufacturing, particularly of the smaller manufactures, is extremely bright.

Principal Cities.—Mexico has a very large number of cities whose merchants are able to import direct. Some of the principal ones are as follows: Northern Mexico—Saltillo, state of Coahuila, population 25,000; Torreon, Coahuila, 40,000; Durango, capital of Durango, 35,000; Chihuahua, 40,000; Ciudad Juarez, 10,000.

Atlantic Coast and Southeast—Vera Cruz, 30,000; Cordoba, 9,000; Orizaba, 33,000; Jalapa, 25,000; Tampico, 25,000; San Luis Potosi, 70,000.

Central Mexico—Zacatecas, 26,000; Aguascalientes, 50,000; Cuernavaca, 40,000; Queretaro, 35,000; Guadalajara, 120,000.

Northwestern Mexico—Hermosillo, 15,000; Guaymas, 13,000.

Western Mexico—Colima, 25,000; Manzanillo, 2000; Mazatlan, 25,000.

Southern Mexico—San Juan Bautista, 30,000; Campeche, 20,000; Merida, 50,000; Progreso, 15,000.

Southern Central Mexico—Puebla, 100,000; Toluca, 32,000; Morelia, 41,000; Oaxaca, 40,000; Mexico City, 500,000.

Besides these, there are numerous others which are worthy of a visit. In many cases the community may not be very large numerically, but the town is important from the standpoint of commerce and because of the possible purchases of large corporations which may be there located.

Railways.—The republic, until the outbreak of the revolution, was well served by many railroads. With the reestablishment of order, a return to the previous excellent conditions is unquestioned.

How Best to Canvass the Republic.—When normal conditions prevail, the purchasing power of Mexico is phenomenal. The routes that may be followed by a traveling representative are innumerable and depend only upon the time at his disposal, the possibilities of the sale of his product, and the number of merchants who must be called upon. Mexico can be entered by any of the border cities, Nuevo Laredo, Eagle Pass, or El Paso. It can also be entered from Vera Cruz or Tampico. All of the cities mentioned above are worthy of visits, in addition to a great many other smaller communities that will be found en route. For a first trip it may be well to visit only the more important places and the conditions which will be

found will determine future action. As in every Latin American country, inquiry should be made of fellow travelers, of merchants, railroad officials, hotel-keepers, etc., regarding the prospects for sales in towns or communities between the more important cities. Mexico, when conditions are normal, offers a wonderful field for American enterprise.

Foreign Commerce in Values

	Imports	Exports	Total
1910-1911.....	\$103,937,136	\$146,876,819	\$249,813,955
1911-1912.....	91,331,155	148,994,564	240,325,719
1912-1913.....	97,886,169	150,202,808	248,088,977

Distribution of Foreign Trade (four principal commercial countries)

	1911-1912	
	Imports	Exports
United States.....	\$49,212,836	\$112,729,856
United Kingdom.....	10,753,154	20,099,328
Germany.....	11,922,609	5,158,365
France.....	7,809,138	4,164,911
	1912-1913	
United States.....	\$48,643,778	\$116,017,854
United Kingdom.....	.....	15,573,552
Germany.....	.....	8,219,009
France.....	.....	3,575,509

THE REPUBLIC OF NICARAGUA

Language.—Spanish. In Bluefields there is one newspaper in English and one in Spanish. The former reaches the merchants and mining companies.

Currency.—The value of the Nicaraguan silver peso on January 1, 1912, was given by the United States Treasury Department as \$0.40. The actual currency of the country is inconvertible paper, which fluctuates widely in value. Peso=100 centavos; real=12½ centavos; medio real=6¼ centavos.

Weights and Measures.—The metric is the legal system. Old Spanish weights and measures still commonly used in local trade are the vara=33 inches, and the arroba=25.35 pounds.

Postage.—Postal Union rates. Parcel post.

	Area Square Miles	Population	Population Per Square Mile			
	49,532	600,000	12.31			
Foreign Commerce						
Year	Total Imports	Imports from United States	Total Exports	Exports to United States		
	Dollars	Dollars	Per Cent.	Dollars	Per Cent.	
1913	5,768,000	3,244,000	56.2	7,712,000	2,722,000	35.3

APPENDIX

Per Capita								
Imports		Exports		Revenue	Expenditure	Debt	Interest	
Dollars		Dollars		Dollars	Dollars	Dollars	Dollars	
8.36		11.18		2.20	1.74	13.32	.57	
Length of Railways			Telegraphs		Railroads		Telegraphs	
						Length of Line		Length of Wire
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	per 10,000 Inhabitants	per 10,000 Inhabitants
1913	200	1913	....	3,637	2.9	4.0	.....	52.7
Debt								
Funded			Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
£ Sterling.....	1,192,000	Cordobas....	2,631,000			9,189,000	6	394,000
		Pesos, paper.	9,500,000					

Location, Area, and Physical Characteristics.—Nicaragua is the largest of the Central American republics, extending over an area of 49,200 square miles. It is bounded on the east by the Caribbean Sea, on the south by the republic of Costa Rica, on the west by the Pacific Ocean, and on the north by Honduras. The republic is traversed by two mountain ranges, and a unique feature is the two great fresh-water lakes—Nicaragua, which is 92 miles long by 34 miles wide, and Managua, which is 32 miles long and 16 miles wide. The lowlands at the ocean are very warm, but the uplands and the terrace or plateau regions have a delightful climate which becomes cold in the higher altitudes and on the volcanic peaks which are a marked feature of the country.

Population.—The population is estimated at 600,000, or 12 per square mile. The great bulk of the inhabitants are Indians, but the residents of the cities are largely of mixed Indian and Spanish descent.

Purchasing Power.—Because of the recent conditions which have been so unfavorable to commerce generally, the imports and exports of Nicaragua have not reached the per capita volume of those of the neighboring republics, but with a fair degree of prosperity these would grow materially.

Resources.—The resources of Nicaragua are agricultural, mineral, and forestal. The chief export is coffee, which commands a good price in the markets of the world, particularly the coffee of the districts of Matagalpa. Another important agricultural product is sugar, for the raising of which the soil and climate are particularly appropriate, especially in the part near the coast. Banana rais-

ing is a very important industry in the eastern part of the republic where the area devoted to the production of the crop is being rapidly increased by the United Fruit Company. The production of cacao is also growing. There is but little exported on account of the large home consumption. Other crops that are produced are tobacco, corn, rice, beans, etc. The timber industry is important, consisting principally of mahogany and cedar from forests in the eastern part. Cattle raising is growing in importance, and an increasing number of hides are exported annually.

Mining.—Nicaragua has a number of gold mines and mining operations have been commenced by various English and American companies. In the eastern part of the country, near Principalea, there are many placer mines which have been productive. The exports of gold have been in the neighborhood of one million dollars annually.

Industries.—The industries of Nicaragua are in general very small and confined to the manufacture of articles for domestic consumption. These are tanneries, and small factories in which are made furniture, bricks, hats, shoes, ice, soap, cigars, etc.

Principal Cities.—The principal cities of Nicaragua are: Managua, 36,000; Leon, 65,000; Granada, 18,000; Matagalpa, 6000; Bluefields, 4800; Rivas, 14,000; Chinandaga, 11,000; Corinto, 4000.

Best Method of Canvassing the Republic.—The capital is reached via Puerto Corinto on the west coast, at which steamers land from both the North and the South. Travelers generally go direct to the capital, finding it advantageous to make this their headquarters, as many of the important commercial houses of the republic are located there. For many lines of manufacture the merchants of Granada find it advantageous to make direct importations, and this is also the case in Leon, which is generally "made" after Managua by the commercial travelers who visit Nicaragua. This city is quite important and being larger than Managua it affords an excellent field for business. Matagalpa, which is in the central part of the republic, among the hills, is the headquarters for a very rich coffee and cattle district and is a prosperous place. There are a number of foreigners here who are able to make direct importations. At Corinto there are several commission and exchange merchants whom it may be advantageous to consult. There is another very prosperous section in the east, which cannot be considered in connection with the western or central portion of the republic, being entirely cut off therefrom. The principal towns here are: San Juan del Norte or Greytown, Bluefields, and Gracias á Dios. Besides these ports, im-

portations are made by dealers in Rama and Prinzapulca. This district is covered by travelers from New Orleans. Steamers make the port of Cape Cracias regularly, it being the shipping port for bananas and for the mining district of Pis Pis. Communication between the small ports is had by motor launches and schooners, which are chartered by commercial travelers who generally represent several firms, the expenses being high. When agencies for Nicaragua are granted, the western half should be considered entirely apart from the eastern or Caribbean side. The traveler who enters by way of Corinto may find it well to stop at Chinandega, and also to go to Masaya, both of which offer fair prospects.

Railways and Transportation.—The principal railway system of Nicaragua is on the Pacific side, connecting the port of Corinto with the cities of the interior, including the capital, etc. There is some transportation on the rivers where navigable. The total miles in Nicaragua number about 200.

Articles Now Needed.—One of the opportunities for American manufacturers is afforded by the sale of articles which have heretofore been bought in Europe. These are the following: beer, mineral waters, cement, cutlery, tools, implements, paper, books, stationery, leather, candles, miscellaneous cotton goods (including ready-made clothing), manufactures of linen, enameled and tin ware, barbed wire, rice, canned and preserved fruits, drugs and chemicals, dyes, perfumery and toilet articles, glass and glassware.

Foreign Commerce of Nicaragua in Values

	Imports	Exports	Total
1911.....	\$5,724,685	\$6,216,861	\$11,941,556
1912.....	4,966,820	3,411,208	8,378,028

Distribution of Foreign Trade (four principal commercial countries)

1911		
	Imports	Exports
United States.....	\$2,754,940	\$1,703,481
United Kingdom.....	1,412,296	523,100
Germany.....	642,753	1,074,744
France.....	148,264	2,619,240
1912		
United States.....	\$2,549,026	\$1,328,422
United Kingdom.....	929,290	514,774
Germany.....	604,038	701,881
France.....	256,255	626,083

THE REPUBLIC OF PANAMA

Language.—Spanish and English. Two newspapers are published in Colon, both English, and two in Panama, the latter having both English and Spanish sections.

Currency.—Gold balboa=\$1; silver peso=\$0.50.

Weights and Measures.—Metric system. American weights and measures are also used.

Postage.—Articles addressed for delivery in the republic of Panama are subject to the same postage rates and conditions as would apply to them if they were addressed for delivery in the United States, except that (1) printed matter, samples, and commercial papers may be sent subject to the postage rates, weight limit, and other conditions applicable to similar articles in Postal Union mails; (2) articles other than letters in their usual and ordinary form are excluded from the mails, unless they are so wrapped that their contents can be easily examined by postmasters and customs officers. No parcel post.

Area Square Miles	Population	Population Per Square Mile
32,380	387,000	11.95

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States		
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.
1912	9,872,000	5,413,000	54.8	2,065,000	1,780,000	86.2

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
25.51	5.34	9.92	9.92	.13	.01

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	298	...	...	...	7.7	9.2	...	...

Debt

Funded		Unfunded, Including Floating Non-Interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent	Dollars
.....		Dollars.....	51,000	51,000	7	4,000

Location and Area.—The Isthmus of Panama links the Americas. The area is 32,800 square miles. Its greatest length is 425 miles.

average width 70 miles. It joins Costa Rica on the west and Colombia on the east. Its northern boundary is the Caribbean Sea, and the southern the Pacific Ocean.

Physical Characteristics.—Within the boundary is inclosed a series of valleys, plains and streams. In general, the country is very mountainous, one peak reaching an altitude of over 11,000 feet. There are numbers of streams, some of which are navigable for a part of their length by small boat.

Climate.—Along the coasts, the climate is tropical. The interior, because of elevation, is very agreeable and temperate. The seasons are wet and dry, the former beginning about the first of April and lasting until the end of December.

Population.—By the estimate of January 1, 1915, the population is 405,000. In general it is similar to that of Colombia, being to a considerable extent mixed, the descendants of Spanish and native intermarriages. Along the coasts and in the banana districts there are many Jamaica negroes, while in the interior districts there are some aborigines. In the larger cities all the European nations are represented, besides China and Japan. The Americans naturally dominate because of the construction of the Panama Canal.

Physical Characteristics.—Within the boundary is inclosed a variety of purposes. The development of the resources of the republic influences the purchase of modern implements and machinery, while the earning power of the ordinary classes is such that the republic offers an excellent field for American manufactures in general.

Resources.—The resources are chiefly agricultural, the principal exports being bananas, coconuts, and ivory nuts. The exports of bananas are fast becoming the chief source of wealth, particularly from the Chiriqui district controlled by the United Fruit Company.

Other Resources.—Aside from the agricultural resources, there is a considerable business in timber, hides, rubber, and miscellaneous products. The raising of stock is being encouraged and sugar, tobacco, and other products are also being produced. The export of pearls, for which Panama has long been famous, is also increasing. The pearl island district is said to be one of the chief sources of the world's supply.

Mineral Wealth.—The mineral wealth of Panama is being located, as many deposits of precious metals are known to exist, and the outlook is very promising.

Industries.—The principal industries of the republic are sugar mills and the usual by-products. There are also various other factories to satisfy local demands, including a brewery, the manufacture of straw hats, candles, etc.

Principal Cities.—In the order of importance the principal commercial places of Panama are: City of Panama, population 40,000; Colon and Christobal, 19,000; Bocas del Toro, 7,000; David, 13,000.

Best Method of Canvassing the Republic.—Panama is reached by numerous steamship lines which touch at both the Atlantic and Pacific ports. On the Atlantic side the most frequent sailings are from New Orleans and New York, but other American ports are also made. On the Pacific coast there is connection with the Chilean, Peruvian, Pacific Steam Navigation Company and the Pacific Mail Line. Traveling men usually find it profitable to canvass both Colon and Panama and it is immaterial which is visited first. When necessary to establish agencies, either port offers good facilities. Bocas del Toro is another important commercial place, the headquarters for the United Fruit Company which maintains a large hospital, commissary, etc. This place can be reached either direct from Gulf ports or by steam launches from Colon, to which travelers generally return. The city of David is the most important place in the interior and it will soon be in direct touch with Panama by railroad. Certain commercial firms there can make direct importations and can also accept agencies when it is necessary to have these widely distributed. Most of the other towns depend upon Panama or Colon for supplies and the representatives of commercial houses in these places canvass the republic regularly.

Railroads and Transportation.—The principal railways connect Colon and Panama. There are some extensions to commercial centers and the new railroad is being constructed to David. The total of miles now in operation is about 160 miles. The new road will be about 360 miles.

Articles Now Needed.—One of the opportunities of the American manufacturers is afforded by the sale of articles which have hitherto been bought exclusively in Europe, or the sale of which the European nations have controlled. The principal articles of this character are the following: rice, condensed milk, candles, nails, earthenware, beer, paint, paper, wrapping paper, dyes, small hardware, fancy goods, cotton cloth, canned meats and fish, ironware, miscellaneous hardware, glassware, matches, chemicals, drugs and pharmaceutical products, print paper, perfumery, combs, electrical materials.

Foreign Commerce of Panama in Values

	Imports	Exports	Total
1911.....	\$9,896,988	\$2,863,425	\$12,760,413
1912.....	9,871,617	2,064,648	11,936,265
1913.....	10,000,000	2,467,566	12,467,566

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United States.....	\$5,413,305	\$1,779,660
United Kingdom.....	2,421,637	72,714
Germany.....	957,806	202,152
France.....	680,784	7,863
	1913	
United States.....	\$5,483,678	\$2,130,000
United Kingdom.....	3,450,000	86,000
Germany.....	970,000	240,000
France.....	690,000	9,000

(The figures are in part estimated)

THE REPUBLIC OF PARAGUAY

Language.—Spanish is the language of the country, but Guarani, an Indian tongue, is widely spoken among the lower classes, especially in the country. Among the foreigners at Asuncion one hears considerable German, Italian, and French. English is known by only a few, but French is understood by the majority of the larger merchants and by the educated native classes.

Currency.—Inconvertible paper, the basis for which is the Argentine gold peso valued at \$0.965. The number of the Paraguayan paper pesos required to equal an Argentine gold peso has ranged from 8 to 17 in recent years.

Weights and Measures.—Metric system adopted and use made obligatory.

Postage.—Postal Union rates. No parcel post arrangement with United States.

Area Square Miles	Population	Population Per Square Mile
97,722	800,000	8.19

Foreign Commerce

Year	Total Imports	Imports from United States	Total Exports	Exports to United States
	Dollars	Dollars	Dollars	Dollars
1913	8,120,000	488,000	5,631,000	67,000

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
10.15	7.04	6.60	6.68	11.27	1.42

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	232	1912	2,485	2,485	2.9	2.4	31.1	31.1
Revenue and Expenditure								
Year			Revenue		Expenditure			
			Dollars		Dollars			
1914			5,280,000		5,348,000			
Debt								
Funded			Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount		Currency	Amount		Dollars	Per Cent.	Dollars
£ Sterling.....	781,000		Pesos, gold...	868,000		9,020,000	3-7	1,133,000
			Pesos, paper..	81,625,000				

Location, Area, Physical Characteristics.—The republic of Paraguay is the second South American country without seacoast. It is bounded on the north by Brazil, on the east by the Argentine Republic, on the south and west by Argentina. The republic is largely a plain of which the most striking feature is the Gran Chaco. There are several mountain ranges and a very extensive system of rivers. The climate varies materially from the subtropical to the temperate zone, being influenced largely by altitude. The mean annual temperature of the capital is 72 degrees and the variation does not exceed 9 degrees.

Population.—The population of Paraguay, estimate of 1910, was 800,000, or 4.6 per square mile. The largest percentage of people are Mestizos and there are about 100,000 wild Indians. The better classes are chiefly descendants of the Spaniards, with a mixture of native blood, and are naturally found in the capital and other principal cities.

Purchasing Power.—The purchasing power of Paraguay is growing as a result of the development of the resources of the republic and particularly of the live stock industry. The principal opportunity for American manufacturers lies in the supplying of machinery, materials, and supplies used in the various industries and also for the requirements of the better classes. There is also a field for the sale of staples in clothing for the lower classes.

Resources.—The chief resources of Paraguay are agricultural and animal products. The chief exports are hides, maté or Paraguay tea, timber, tobacco, oranges, and other fruits. The raising of agricul-

tural products is increasing with the development of the country and the outlook for the future is especially bright.

Industries.—The industries of Paraguay are practically negligible and confined principally to the animal industry. Naturally there are certain factories for the manufacture of articles needed for local consumption.

Principal Cities.—The principal cities of Paraguay are Asuncion, the capital, population 80,000, 1152 miles inland and about 1000 miles distant from Buenos Aires; Villa Encarnacion, population 15,000, 273 miles southeast of Asuncion; Villa Rica, population 26,000, 93 miles from Asuncion; Villa Concepcion, population 15,000, 205 miles from Asuncion; Luque, population 4500, 9 miles from Asuncion; Carapegua, population 4500, 62 miles from Asuncion.

Transportation Facilities.—The transportation facilities in Paraguay are on the whole very primitive and the roads are few. There is a railroad which runs from Villa Encarnacion to Asuncion, and in addition there are a number of projected roads. The trip is usually made on the Paraguay River, requiring four or five days. Merchandise for Asuncion must be transshipped at Buenos Aires or Montevideo and must be placed in care of an agent at one of these places to insure its forwarding to destination.

Best Method of Canvassing the Republic.—For commercial purposes, Asuncion may be considered the one really important place in the republic and should be made the headquarters for the distribution of merchandise. The capital can now be reached both by water and by rail. The journey upstream from Buenos Aires requires four or five days on the steamer and two days and two nights by railway. The traveler who visits Paraguay may find it advantageous also to visit Villa Rica, the second city of commercial importance, which is the center of a very important agricultural district. Villa Concepcion is the principal business place in northern Paraguay and the chief industries are grazing and the raising of *yerba maté*. Villa Encarnacion is located in the southern part of the republic and is surrounded by an agricultural and grazing district. If desirable to establish agencies they may be located in these various places for the purpose of shipping to surrounding localities, but for a line of limited possibilities the agency may be placed in Asuncion and the rest of the countries worked from that base.

Railroads and Transportation.—The river systems of Paraguay make transportation comparatively cheap, as the River Paraguay makes numerous places available. The total number of miles of railroad in operation is 232, and from the capital, Asuncion, to Villa

Encarnacion, located on the Upper Parana, connection is made by train ferry with the Argentine system.

Articles Now Needed.—One of the opportunities for American commerce in Paraguay will be the sale of certain products which have heretofore been purchased chiefly in Europe, especially Germany, France, and England. Among the more important of these articles are the following: beer, drugs, light hardware, cutlery, condensed milk, rice, iron and construction materials, wire, textiles, safety matches, cheese, tinned meats.

Other Articles in Demand.—In addition to the articles outlined, the following would have a demand: sewing machines, typewriters, household articles, agricultural implements, etc.

Foreign Commerce in Values

	Imports	Exports	Total
1911.....	\$6,310,054	\$4,703,358	\$11,013,412
1912.....	5,190,482	4,108,651	9,298,733
1913.....	7,671,551	5,462,001	13,133,552

Distribution of Foreign Trade (four principal commercial countries)

	Imports	Exports
<i>1912</i>		
Germany.....	\$1,508,737	\$847,829
United Kingdom.....	1,301,454	1,018
France.....	366,778	33,199
United States.....	306,467	593
<i>1913</i>		
Germany.....	\$2,200,000	\$1,198,686
United Kingdom.....	1,900,000	700
France.....	537,000	33,000
United States.....	450,000	70

NOTE.—In the Distribution of Imports for the year 1913 above, the figures given are partly estimates. More than half of the exports of Paraguay are to Argentina, either for consumption in that country or for trans-shipment to Europe.

THE REPUBLIC OF PERU

Language.—Spanish is the national language; but among the great Indian population there are many native dialects, the Quechua being the most common. The chief importers are European.

Currency.—The libra, or Peruvian pound, is equivalent to the pound sterling, or \$4.8665. Libra=10 soles, sol=100 centavos. The libra is abbreviated Lp. Thus, 1000 Peruvian pounds is written Lp. 1000. Sometimes the sign L is used with the letter P or the word Peruvian. The sign \$ is used to designate soles.

Weights and Measures.—The metric is the legal system. In the retail trade the following are still used: Vara=32.91 inches, arroba=25.36 pounds, libra=1.014 pounds.

Postage.—Postal Union rates. Parcel post arrangement with United States.

Area Square Miles			Population		Population Per Square Mile		
683,321			5,800,000		8.49		
Foreign Commerce							
Year	Total Imports		Imports from United States		Total Exports	Exports to United States	
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.	
1913	29,631,000	8,542,000	28.8	44,469,000	14,761,000	33.2	
Per Capita							
	Imports	Exports	Revenue	Expenditure	Debt	Interest	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	
	5.11	7.67	2.98	2.61	5.91	.09	
Length of Railways			Telegraphs		Railroads		Telegraphs
Date	Mils	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants
1912	1,719	1912	9,321	34,589	3.0	2.5	16.1
Revenue and Expenditure							
		Year	Revenue		Expenditure		
			Dollars		Dollars		
		1914	17,266,000		15,134,000		
Debt							
	Funded		Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest
							Interest and Other Annual Charges
	Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
£ Sterling.....		1,688,000	£ Sterling...	5,354,000	34,268,000	1-5½	542,000

Location, Area, Physical Characteristics.—Peru is one of the largest countries of South America, with an area of about 690,000 square miles. It is bounded on the north by Ecuador, on the east by Brazil and Bolivia, on the south by Chile, on the west by the Pacific Ocean. The republic has in general three regions, but the greater part of the country consists of forest-covered plains in the east, stretching toward the Atlantic from the Andes. The second region is an elevated plateau between the two Andes mountain chains, and on the west, along the shore, is a strip of arid land with an average width of 25 miles. There are numerous extremely high peaks and several important river systems which drain into the Atlantic Ocean. Lake Titicaca is the largest lake in South America, located at an altitude of 12,000 feet. The climate in the low coast regions is temperate and the rainfall is practically negligible; frequently irri-

gation is necessary. The mean annual temperature of Lima is 66 degrees.

Population.—The population of Peru is about 5,800,000 inhabitants, or 8.5 to the square mile. About 15 per cent. are pure white, more than a half are Indians, more than a quarter are Mestizos, and of Chinese there are 2 per cent. The workers of Peru are the descendants of the Incas, and are commonly called Cholos. They are excellent workers both in the field of agriculture, and in mining.

Purchasing Power.—The imports of the republic have been growing steadily and the resources of the country are being developed to a constantly larger extent. The requirements of the lower classes, while small, are, in the aggregate, as regards certain important articles, quite large, while the ability of the wealthier classes to purchase American imported products is, of course, great. The opportunities for American manufacturers exist in the sale of all the appliances used in the development of the industries and to supply the personal requirements of the people.

Resources.—The resources of Peru are chiefly mineral and agricultural. The source of its chief wealth is mining and of its mined output copper is the most important. Silver, gold, and petroleum are also largely produced. Of its agricultural products, cotton is the chief export, as certain particular kinds of cotton are now raised there which have a large demand. Sugar is an important rival of cotton and the agricultural activities of the country and the exports have amounted to \$7,000,000. Rice, coffee, cacao, tobacco, and cocoa are also produced. Of forestal products, rubber is the chief export and totals over \$4,000,000. This is shipped from the port of Iquitos on the Amazon, which is the headquarters of the Peruvian rubber industry. The exportation of hard wood and other timber resources has been delayed by the lack of railways, but is growing.

Mining.—Peru is famous throughout the world for its mineral wealth. The most important production is copper, and the importance of this industry is due largely to activities of famous American concerns. Gold and silver mines are also in operation and the outlook for the development of the mining resources indicates immense possibilities for American manufacturers.

Animal Products.—The production of animal products is increasing, but is not as important as the other items which figure in exports. The production of wool is on the increase and three-fourths of the world's supply of alpaca comes from Peru. The exports of hides, goatskins and kidskins are also increasing.

Manufacturing Industries.—The manufacturing industries of

Peru are not of general importance, with the exception of the sugar mills. The manufacture of textiles is carried on to some extent while other industries are flour mills, factories which produce chocolate, lard, cottonseed oil, cocaine and certain articles intended for local consumption.

Principal Cities.—The principal cities of Peru are the following: Lima, population 160,000, 9 miles from its port, Callao; Callao, 400,000, 9 miles from Lima; Arequipa, 40,000, 755 miles southwest of Lima; Cerro de Pasco, 15,000, 110 miles northeast of Lima; Cuzco, 640 miles from Lima; Ayacucho, 20,000, 357 miles southeast of Lima; Piura, 15,000, 690 miles northwest of Lima; Cajamarea, 12,000, 537 miles north of Lima; Trujillo, 10,000, 384 miles northwest of Lima; Iquitos, 20,000, 1389 miles from Lima; Mollendo, 5,000, 107 miles from Arequipa; Pisco, 5,000, 111 miles from Callao; Eten, 4,000; Paita, 5,000, 480 miles from Callao; Pacasmayo, 291 miles from Callao; Huaraz, 17,000, 218 miles from Lima; Chiclayo, 15,000, 517 miles from Lima; Jauja, 15,000, 115 miles east of Lima.

The Best Method of Canvassing the Republic.—Peru has a number of important ports, the most important of which is Callao. Travelers from the north sometimes stop at Paita, which is connected with Piura. Salaverri, which is an important place of export because of gold mines and the district tributary thereto, may also be visited to advantage. Callao is the port for Lima, consequently the most often visited, although Mollendo is generally included in the itinerary of the traveler, particularly if it is the intention to visit La Paz. It is found that Callao and Lima are the most important places, although when it is desirable to establish an agency it is generally located in Lima, as Callao is only six miles distant and easily reached by electric car. From Lima the traveler will find it advantageous to visit Cerro de Pasco, whose importance is due to the mining operations of large American concerns. From Mollendo the traveler will find it well to visit Arequipa, and thence journey to Cuzco, as the latter is situated in a fertile district. The cities mentioned already are the principal ones, but the traveler with sufficient time would find it advantageous to make Trujillo, Piura, Pacasmayo, and Eten. Iquitos, which is the principal river port of Peru, cannot be reached from the west coast but must be approached from the Atlantic via the Amazon River. A Peruvian agency established in Lima should not include Iquitos for obvious reasons. Care should also be taken to investigate the ability of the Liman agent properly to work the rest of the country, inasmuch as the length of the republic is over 1,400 miles.

Railroads and Transportation.—The principal cities of Peru are

connected by railways, the total number of miles in operation being about 1,800. Most of the routes are owned by the Peruvian corporation which operates them as a system. Many additional railroads are projected.

Articles Now Needed.—The prospects for the sale of American manufactures and products to Peru are very encouraging. Among those which have heretofore been bought largely in Europe and which should be supplied by the United States are the following: cotton, textiles and manufactures, woolen manufactures in general, manufactures of linen, hemp, jute, etc., wearing apparel and notions, furniture, stone, earth, glass and chinaware, paints, dyes, varnishes, drugs, chemicals, etc., stationery, paper and cardboard, musical instruments, arms, ammunitions and explosives, dry goods, tinned goods, beer, cement, hardware and implements, leather, barbed wire, perfumery and toilet articles, jewelry.

Foreign Commerce in Values

	Imports	Exports	Total
1911.....	\$26,429,875	\$36,041,896	\$62,471,771
1912.....	24,982,047	45,871,503	70,853,550
1913.....	29,591,451	44,409,610	74,001,061

Distribution of Foreign Trade (four principal commercial countries)

	Imports	Exports
<i>1912</i>		
United Kingdom.....	\$6,648,368	\$15,724,561
United States.....	5,763,425	17,495,276
Germany.....	4,521,729	1,205,496
France.....	1,547,575	2,730,698
<i>1913</i>		
United Kingdom.....	\$7,769,225	\$16,539,110
United States.....	8,530,525	14,741,639
Germany.....	5,132,000	2,966,884
France.....	1,363,191	1,566,495

THE REPUBLIC OF SALVADOR

Language.—Spanish.

Currency.—The value of the Salvadorian silver peso on January 1, 1912, was given by the United States Treasury Department as \$0.40. The actual currency of the country is inconvertible paper, which fluctuates in value. Peso=100 centavos; real=12½ centavos; medio real=6¼ centavos.

Weights and Measures.—The metric is the legal system. Among the old Spanish weights and measures still in local use are the vara=33 inches and the arroba=25.36 pounds.

Postage.—Postal Union rates. Parcel post.

APPENDIX

Area Square Miles			Population		Population Per Square Mile			
7,225			1,200,000		166.09			
Foreign Commerce								
Year	Total Imports	Imports from United States		Total Exports	Exports to United States			
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.		
1913	6,167,000	2,490,000	40.4	7,666,000	1,310,000	17.1		
Per Capita								
	Imports	Exports	Revenue	Expenditure	Debt	Interest		
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars		
	5.10	6.34	4.42	5.21	8.95	1.45		
Postal Business								
Foreign Money Orders Sent								
			Number	Value				
			627	\$3,630				
Length of Railways			Telegraphs		Railroads	Telegraphs		
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	198	1912		2,841	1.6	24.2		23.5
Debt								
Funded			Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
£ Sterling.....	1,332,000	Pesos, gold...	2,621,000	Pesos, silver...	827,000	10,829,000	2-6	1,749,000
Pesos, silver...	3,786,000							

Location, Area, and Physical Characteristics.—The republic of El Salvador is the smallest of the Latin American republics. It is bordered on the north, east, and south by Guatemala and Honduras, and on the west by the Pacific Ocean. The area of the republic is 7,225 square miles. The country is considerably broken by two mountain chains which cross it for almost its entirety. There are several important spurs with high altitudes. As a result of this configuration there are numerous valleys, extremely fertile and with a wide range of climate.

Population.—The population of Salvador is 1,200,000, of which the great bulk are Indians. The better classes are Europeans or the descendants of Europeans and natives who intermarried.

Purchasing Power.—The natives of Salvador are very thrifty and industrious and their wants are increasing. The purchasing power of the better classes, because of the considerable wealth of the republic, is large and there is a market for practically all products.

Many of the industries require machinery, tools, etc., in the sale of which American manufacturers have excellent opportunities.

Resources.—The chief source of wealth of Salvador is coffee which has an enviable reputation abroad. The next items in importance are gold and silver, while sugar, indigo, balsam, hides, skins, and tobacco are of considerable importance. The balsam which is known in the trade as Peruvian balsam is indigenous to Salvador.

Mining.—Mining is carried on to a considerable extent, both silver and gold being exported largely; the mines are found in the eastern and western parts of the republic.

Industries.—The industries of the republic are small, with the exception of the sugar mills. The usual products peculiar to these countries are manufactured, including candles, cigarettes, confectionery, dairy products, cigars, saddlery, rope, etc. There are a number of distilleries, ice factories, breweries, shoe and furniture factories. Manufacturing is not on an extensive scale.

Principal Cities.—The principal cities of Salvador are: the capital, San Salvador, Sonsonate, Santa Ana, Cojutepeque, Chalatenango.

Best Method of Canvassing the Republic.—Travelers who visit Salvador enter the republic by the ports of La Union, El Triunfo, La Concordia, La Libertad, and Acajutla. In some instances travelers ride overland on horse or muleback, shipping their samples by cart, but the port most frequently used is Acajutla which is connected with the capital by a railroad. Travelers generally go direct to San Salvador, which is the chief place for business. If local agencies for the republic are needed, they should be established in San Salvador. For certain products some of the other cities, such as Santa Ana and Sonsonate, offer excellent fields, and both can be reached by railroad. There are in both these places merchants who can afford to import direct. In the case of certain large individual buyers it will prove advantageous for commercial representatives to visit the cities of San Miguel, Chalatenango, and Cojutepeque.

Railways and Transportation.—The principal railway of Salvador connects the port of Acajutla with the capital, San Salvador. There are branch lines to two other places, particularly to Santa Ana. The new system, when completed, will place Salvador in direct communication with the Atlantic ports by way of the Guatemala railways.

Effect of the War.—As the chief reliance of Salvador has been on the coffee crop, the purchasing power will be considerably reduced by reason of the European War. A large portion of the production has gone to France, Germany, and Austria, and it is essential that

other markets be found to take the place of those mentioned. The republic is also greatly in need of additional credit facilities, which, if furnished by the United States, would result in a material increase in business with this country.

Articles Now Needed.—While a considerable portion of the imports of Salvador have been from the United States, opportunities exist for American manufacturers in replacing the importations which have heretofore been made from Germany, Austria, Belgium, etc. The articles for which the best opportunity exists are as follows: light hardware, drugs and medicines, haberdashery, beer, paper, stationery, leather, fertilizers, fancy goods, safety matches, cartage, tobacco, cotton cloth and manufactures, soap and candle grease, glassware, earthenware (including table utensils), stone and chinaware, agricultural machinery, fence wire, mineral waters, lime and cement, cheap jewelry, furniture.

Foreign Commerce of Salvador in Values

	Imports	Exports	Total
1911.....	\$5,113,518	\$9,438,561	\$14,552,079
1912.....	6,774,859	9,942,184	16,717,043
1913.....	6,173,545	9,938,724	16,102,269

Distribution of Foreign Trade (four principal commercial countries)

	1912	
	Imports	Exports
United States.....	\$2,627,700	\$2,955,794
United Kingdom.....	1,904,546	445,456
Germany.....	664,674	2,294,500
France.....	397,352	1,510,492
	1913	
	Imports	Exports
United States.....	\$2,491,146	\$2,823,851
United Kingdom.....	1,603,846	705,607
Germany.....	713,855	1,699,694
France.....	418,111	2,030,346

THE REPUBLIC OF URUGUAY

Language.—Spanish.

Currency.—Peso=100 centesimos=\$1.034. In converting American money to Uruguayan the importers usually figure the value of the dollar as 98 centesimos. There is no coinage of gold and foreign coins circulate at their value.

Weights and Measures.—The use of the metric system is obligatory.

Postage.—Postal Union rates. Parcel post arrangement with United States; parcels cannot be registered.

Area Square Miles	Population	Population Per Square Mile
72,172	1,226,000	16.99

Foreign Commerce

Year	Total Imports	Imports from United States	Per Cent.	Total Exports	Exports to United States	Per Cent.
1913	Dollars 50,666,000	Dollars 6,300,000	12.4	Dollars 65,142,000	Dollars 2,972,000	4.5

Per Capita

Imports	Exports	Revenue	Expenditure	Debt	Interest
Dollars 41.33	Dollars 53.14	Dollars 30.80	Dollars 30.87	Dollars 114.95	Dollars 15.48

Length of Railways			Telegraphs		Railroads		Telegraphs	
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabit- ants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabit- ants	Length of Wire per 10,000 Inhabit- ants
1913	1,639	1912	....	5,344	13.4	22.7	.....	43.6

Revenue and Expenditure

Year	Revenue	Expenditure
	Dollars	Dollars
1913-14	37,758,000	37,842,000

Debt

Funded		Unfunded, Including Floating Non-Interest-bearing, Etc.		Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
Currency	Amount	Currency	Amount	Dollars	Per Cent.	Dollars
Pesos.....	136,299,000	.....	.....	140,953,000	3½-5	18,984,000

Location, Area, Physical Characteristics.—The republic of Uruguay is the smallest of the republics of South America. It is bounded on the northeast by Brazil, on the south and east by the Atlantic Ocean, on the west by the Argentine Republic from which it is separated by the Uruguay River. The country consists chiefly of plains, but there are some insignificant mountain ranges, and a very extensive system of waterways, many of which are navigable. The climate is in general very mild, being subtropical. The mean annual temperature of the principal city, Montevideo, is 56 degrees Fahrenheit in the cool season and 64 degrees Fahrenheit in the warm season.

Population.—The population of Uruguay is 1,200,000, or 18 per square mile. The largest percentage of the people are Mestizos. The

better classes are made up of the descendants of the Spaniards with a mixture of natives. The representatives of European nations are found in the principal cities, particularly in Montevideo.

Purchasing Power.—The purchasing power of Uruguay is rapidly increasing as a result of the development of the resources of the country, especially of agriculture and animal industries. With the growing wealth the per capita buying power is increasing and American manufacturers not only can furnish supplies for the principal industries, but can likewise supply the wants of the wealthier classes as well as those of the poorer people whose needs in staples are great.

Resources.—The chief resources of Uruguay are the raising of cattle and agriculture, including wheat and other grains. The live stock industry is especially important and great amounts of meat are exported. Sheep raising is very important while much timber is also being produced.

Mining.—Although the mineral resources of Uruguay have not been exploited, they are important, as numerous deposits of metals have been uncovered. The laws are favorable to their development.

Industries.—Manufacturing in Uruguay is steadily becoming more important. Among the largest factories are those for boots and shoes, the manufacture of furniture, brick, tile, cement, glass, and bottle factories. Other establishments are devoted to the production of wool, cotton, and linen cloth. There are also flour mills and packing plants.

Principal Cities.—The principal cities of Uruguay are Montevideo, population, 325,000, which is 125 miles east of Buenos Aires; Salto, population 20,000, 394 miles east of Montevideo; Paysandu, population 28,000, 328 miles from Montevideo; Mercedes, population 16,000, 186 miles from Montevideo; Minas, population 14,000, 78 miles from Montevideo; Fray Bentos, population 7,500, 245 miles from Montevideo.

Best Method of Canvassing the Republic.—Travelers visiting Uruguay naturally enter from Montevideo. This city dominates the commerce of the republic and many manufacturers find it advisable to place their representations for the entire country in this city, as the export and commission houses there are accustomed to send commercial travelers from Montevideo to the interior or have correspondents in the other commercial places. A city of growing importance is Paysandú, which is located about 300 miles by rail from Montevideo in the center of an important cattle section, meat packing and preserving being the chief industries. Many commercial travelers also find it advantageous to visit Fray Bentos

which is 245 miles from Montevideo and owes its importance to the works of the Liebig Extract of Meat Company. The direct imports of Fray Bentos are growing and an important district surrounding it can be canvassed from this place. Salto is the chief city of northern Uruguay and must be taken into consideration if local agencies are essential.

Railroads and Transportation.—Uruguay is fortunate in its river transportation. The extensive systems of waterways make it easy to reach many places. There are also about 1,600 miles of rail-ways, over 1,000 of which are standard gauge.

Articles Now Needed.—American manufacturers who are interested in extending their business to Latin America will find Uruguay a promising field. As the exports have been largely from Europe, the articles which have heretofore been purchased by the countries now at war should be replaced by those of American manufacture. Among the principal articles are the following: beer, cement, fence wire, cutlery, tools, implements, paper, cotton goods, stationery, leather, manufactures of linen, stone and earthenware, rice, tinned goods, drugs and chemicals, ties, perfumery and toilet articles, glass and glassware, fancy articles, electric material, agricultural implements, corrugated iron roofing, iron piping, motor vehicles, construction material, portable gas and gasoline stoves, furniture.

Foreign Commerce in Values

	Imports	Exports	Total
1912.....	\$51,355,200	\$53,040,000	\$104,395,200
1913.....	50,666,300	65,142,000	115,808,000
1914.....	38,500,800	54,201,041	92,701,901

Distribution of Foreign Trade (four principal commercial countries)

	Imports	Exports
<i>1912</i>		
United Kingdom.....	\$13,800,000	\$6,545,892
Germany.....	8,700,000	7,905,882
United States.....	6,200,000	2,670,779
France.....	4,300,000	8,801,137
<i>1913</i>		
United Kingdom.....	\$12,600,000	\$9,000,000
Germany.....	8,000,000	10,000,000
United States.....	6,300,000	2,972,222
France.....	4,100,000	12,000,000

(The figures above, except for exports to the United States, are all estimates.)

THE REPUBLIC OF VENEZUELA

Language.—Spanish.

Currency.—Bolivar—100 centimos=\$0.193.

Weights and Measures.—The metric is the legal system. Span-

ish weights and measures still used locally are vara=33.38 inches, and arroba=25.402 pounds.

Postage.—Postal Union rates. Parcel post arrangements with United States.

Area.—393,976 square miles.

Population.—2,756,000.

Capital.—Caracas; population 73,000.

Area Square Miles			Population		Population Per Square Mile			
393,976			2,756,000		7.00			
Foreign Commerce								
Year	Total Imports	Imports from United States		Total Exports	Exports to United States			
	Dollars	Dollars	Per Cent.	Dollars	Dollars	Per Cent.		
1914	17,005,000	6,158,000	36.2	26,324,000	10,540,000	40.0		
Per Capita								
	Imports	Exports	Revenue	Expenditure	Debt	Interest		
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars		
	6.17	9.21	3.66	3.66	12.72	.42		
Length of Railways		Telegraphs		Railroads		Telegraphs		
Date	Miles	Date	Miles of Line	Miles of Wire	Per 10,000 Inhabitants	Per 1,000 Square Miles	Length of Line per 10,000 Inhabitants	Length of Wire per 10,000 Inhabitants
1913	634	1912	4,902	4,902	2.3	1.6	17.8	17.8
Revenue and Expenditure								
		Year	Revenue		Expenditure			
			Dollars		Dollars			
		1913-14	10,080,000		10,080,000			
Debt								
	Funded		Unfunded, Including Floating Non-interest-bearing, Etc.			Total in U. S. Currency	Rates of Interest	Interest and Other Annual Charges
	Currency	Amount	Currency	Amount		Dollars	Per Cent.	Dollars
Bolivares.....	179,757,000		Bolivares....	1,855,000		35,051,000	3	1,161,000

Location.—Venezuela is located in the northernmost part of South America, being bounded on the north by the Caribbean Sea, on the east by British Guiana and Brazil, on the west by Colombia.

Area and Physical Characteristics.—Venezuela has an area of 394,000 square miles. It is divided into three geographical zones: (1) great plains and river valleys called llanos; (2) the mountainous region of the north; (3) the plateaus or tablelands of the south. The mountainous region is marked by three distinct mountain ranges with numerous high peaks.

Climate.—The climate of Venezuela varies materially. The re-

public lies wholly in the tropics; consequently the coast and river valleys have a tropical climate. In the valleys and mountainous districts the climate is temperate. In the lowlands along the coast the mean annual temperature varies from 78 to 90 degrees Fahrenheit. The uplands between two and seven thousand feet have temperatures ranging from 64 to 77 degrees. Places located higher than 7,000 feet are cold, the temperature ranging from 35 to 37 degrees.

Population.—The population of Venezuela is about 2,756,000. Of this number about 330,000 are Indians. The balance are of mixed blood, Spanish, Negro, and Indian intermingled, but the pure whites and Negroes are comparatively few. In all the important centers there are European residents.

Purchasing Power of the Different Classes.—As in the case of the other republics, the purchasing power of the people varies materially. The well-to-do class is not so numerous as the peasant group, and the wants of the latter are chiefly for the staples, including cotton goods, etc. The wealth of the republic is rapidly growing and the possibilities for the sale of luxuries and the articles in common use by the well-to-do in the United States are increasing. Many kinds of merchandise which have not hitherto been sold in Venezuela may be introduced, provided the right effort is made.

Resources.—The chief resources of Venezuela are agricultural, coffee and cacao being particularly important. Other important contributions to the foreign trade are balata, rubber, tonka beans, sugar, etc. The production of coffee of a good quality, and cacao, is rapidly increasing.

Other Resources.—Within recent years the raising of cattle has assumed large proportions, and hides and goatskins are important items in export. Sole leather, refrigerated beef, and young cattle are also shipped.

Mining.—The republic has very rich deposits of minerals but thus far they have not been exploited, although some gold and copper are being produced. The minerals which are known to exist are silver, copper, sulphur, iron, tin, salt, coal, lead, petroleum, etc. The chief mineral exported thus far is gold.

Manufacturing Industries.—The manufacturing industries of Venezuela are comparatively unimportant. Those which exist are cotton mills, glass and cement factories, breweries, paper factories, and factories for production of items required for local consumption. The prospects for the development of the manufacturing industries are becoming brighter with the increasing wealth of the country.

Principal Cities.—The principal cities of Venezuela are: La

Guayra, population 10,000; Maracaibo, 45,000; Valencia, 49,000; Caracas, 99,000; Barquisimeto, 20,000; Barcelona, 14,000; Ciudad Bolivar, 14,000; Coro, 10,000; Cumana, 12,000; Campano, 11,500; San Cristobal, 28,600.

Best Method of Canvassing the Republic.—Venezuela has excellent connections with the United States and Europe. The chief port and trade center is La Guayra, from which the capital, Caracas, which travelers generally visit first, may be quickly reached, being located at a distance of 25 miles. Certain houses in this place canvass the entire republic, but it may be found advantageous to establish agencies in other portions of the republic, notably Cumana in the state of Bermudas; Ciudad Bolivar, the capital of the state of Bolivar, and the center of an important trade district; also Maracaibo, the principal city of the state of Zulia and the only port in western Venezuela and eastern Colombia, an especially important city; Porto Cabello, situated in the state of Carabobo and the center of a very important trading district with important industries, including manufactures of shoes, candles, and soap.

Transportation.—The facilities of Venezuela in the matter of railways are becoming increasingly important, the number of miles operated now being about 600. Most of the lines are independent and some of the districts are extremely well served. The rivers of Venezuela afford excellent means of communication and transportation, the Orinoco with its tributaries being extremely important. Besides these, there are other navigable rivers of importance. Communication between the coast cities is maintained by a coastal steamship service which is adequate for the needs of the country.

Articles Needed.—Venezuela offers excellent opportunities for the sale of manufactures which in the past have been imported largely from Europe. The prospects for the sale of electrical supplies, machinery, etc., are very bright, and such articles as typewriters, cash registers, musical instruments, drugs, chemicals, etc., can be sold very largely. Cotton goods are the chief items of importance, while flour, lard, oil, butter, agricultural implements, and drugs are some of the other chief imports. The increasing wealth of the country will make possible the sale of many articles which have heretofore not been imported.

Foreign Commerce in Values

	Imports	Exports	Total
1912.....	\$20,568,939	\$25,260,908	\$45,829,847
1913.....	18,030,103	29,483,789	47,513,893
1913-1914.....	17,005,303	26,323,824	43,329,127

Distribution of Foreign Trade (four principal commercial countries)

1913

	Imports	Exports
United States.....	\$6,944,136	\$8,475,251
United Kingdom.....	4,296,294	2,199,053
Germany.....	2,589,986	5,563,768
France.....	1,093,655	9,998,043

1913-1914

United States.....	\$6,158,122	\$8,611,924
United Kingdom.....	4,260,390	1,862,850
Germany.....	2,407,672	4,162,088
France.....	1,110,960	8,430,421

AIDS TO STUDY OF EXPORT PROBLEMS

Below is given a list of books which will be found valuable in studying Latin American trade conditions or when considering the prospects for business with the southern republics. A library of the necessary volumes will require only a small outlay and may be the means of avoiding costly errors besides loss of time and mis-directed efforts. The expenditure need not exceed fifty or sixty dollars, an insignificant sum in comparison to the importance of proper attention. In addition to the books mentioned see the lists of miscellaneous governmental pamphlets described on page 490. Books relating to export trade, business, and technical subjects are obtainable from the International Book Co., 1328 Broadway, and the Technical Press Assn., Aeolian Hall, New York.

Bullinger's Monitor Guide. E. W. Bullinger, 438 Broadway, New York. Published yearly. \$7.50.

Customs Tariffs of the World. Kelly Publishing Co., New York. \$2.50.

Exporters' Encyclopedia. The Exporters' Encyclopedia Co., New York, in connection with the Exporter's Review. \$7.50.

Export Trade Directory. American Exporter, 17 Battery Place, New York. \$3.00.

Aughinbaugh, W. E. Selling Latin America. Small Maynard & Co., New York. \$2.00.

Francis M. Halsey. The Railways of South and Central America. Francis Emory Fitch, Inc., 47 Broadway, New York. \$1.50.

Hooper, Frederick, and Graham, Jas. Modern Commercial Practice. Macmillan, London. \$1.00.

Hough, B. Olney. *Elementary Lessons in Exporting*. Johnson Export Pub. Co., New York. \$3.00.

——. *Ocean Traffic and Trade*. LaSalle Extension University, Chicago, Ill. An excellent work dealing with ocean shipping in all its phases. \$3.00.

——. *Practical Exporting*. American Exporter, New York. \$4.00.

Kirkaldy, A. W., and Evans, A. D. *History and Economics of Transportation* (1915). Isaac Pitman & Sons, New York. \$3.00.

Reid, William A. *The Young Man's Chances in South and Central America*. The Southern Commercial Congress (1914). 173 pages. \$1.00.

Smith, Jos. Russell. *The Ocean Carrier*. G. P. Putnam's Sons, New York. \$1.50.

FOREIGN EXCHANGE AND BANKING

Brooks, H. K. *Foreign Exchange*. Delbridge, New York. \$5.00.

Foreign Exchange Figuring Book. Foreign Exchange Publishing Co., New York. \$5.00.

Foreign Exchange Text Book. Foreign Exchange Publishing Co., New York. \$5.00.

Clara, G. *A.B.C. of Foreign Exchange*. Macmillan, New York. \$1.25.

Cosby, T. *Latin American Monetary and Exchange Conditions*. National City Bank, New York.

Escher, Franklin. *Elements of Foreign Exchange*. Bankers' Publishing Co., New York. A valuable work by a well known authority of financial topics. Of particular interest to the student as the subject is treated in an interesting and simple way. \$1.00

Goschen, G. J. *Theory of Foreign Exchanges*. Chas. Scribner's Sons, New York. \$2.40.

Gonzalez, V. *Modern Foreign Exchange (including Monetary Systems, Intrinsic Equivalents and Commercial Rates of Exchange)*. National Association of Manufacturers. C. S. Hammond Co., 30 Church St., New York. \$1.00.

Spalding, William F. *Foreign Exchange and Foreign Bills in Theory and in Practice*. Isaac Pitman & Sons, New York. \$2.00.

CABLE CODES

A.B.C. Code. American Code Company, New York. Published in English or Spanish language. \$10.00. Portuguese. \$15.00.

Lieber's Code. Lieber Code Co., New York. Published in English, Spanish, French, or German. Each, \$10.00.

Marconi's Wireless Telegraph Code. Marconi Wireless Telegraph Co., 25 Broad St., New York. \$5.00.

Seger & Guernsey. Manufacturers' Export Code. American Code Co., New York. \$5.00.

Universal Code. American Code Company, New York. \$7.50.

Veslot Code. American Code Company, New York. Transmits and automatically translates messages into Spanish, English, French, Italian, or German. Two volumes to each language. \$25.00.

Western Union Code. American Code Company, New York. Published in English only. \$20.00.

Publishers of Miscellaneous Codes

Before adopting a code, the advantages of the numerous codes published by the following should be considered.

Business Code Company, 929 West End Avenue, New York.

Metropolitan Code Company, 815 Stewart Building, Chicago, Ill.

Hartfield Telegraphic Code Company, 73 Pearl Street, New York.

Watkins Universal Shipping Code Office, 39 Broad St., New York.

McGraw-Hill Book Company, 231 West 39th Street, New York.

D. Van Nostrand & Company, 25 Park Place, New York.

C. N. Caspar Company, 454 East Water Street, New York.

AIDS TO CORRESPONDENCE

The following is a list of books which will be found useful in correspondence with Latin America. Models of letters, suggestions for preparation of communications in Spanish and for the general conduct of correspondence with the southern republics are contained in the different books.

Arteaga y Pereira, F. Correspondencia Comercial Español (Commercial Correspondence). Brentano, New York. \$1.00.

Cornett, W. N. Spanish Commercial Correspondence. C. N. Caspar Co., Milwaukee, Wis. \$0.75. Also Portuguese.

Cortina, Rafael Diaz de la. Serie de la Cortina: Modelos para cartas en Español y en Ingles. Cortina, New York. \$1.00. Paper \$0.75.

Harrison, Earl Stanley. Spanish Correspondence. Henry Holt & Co., New York. \$1.00

Hossfeld. Polyglot Correspondent. To compose letters in English, Spanish, French, German; vocabulary of technical expressions, business words, engineering terms, etc. John Lane Co., New York. \$1.75.

Kenyon, H. A. Spanish Commercial Correspondence. G. Wahr, Ann Arbor, Michigan. \$0.75.

McConnell, E. Spanish Business Letters. Isaac Pitman & Sons, New York. \$0.25.

Macdonald, C. R. Manual of Spanish Commercial Correspondence. Caspar. \$1.40.

Pittman, I. Dictionary of Commercial Correspondence. In English, German, French, Spanish and Italian. Isaac Pitman & Sons, New York. \$2.50.

Foreign Phrases in Daily Use. Funk & Wagnalls Co., New York. \$0.25.

Spanish Business Interviews. Isaac Pitman & Sons, New York. \$0.50.

Spanish Commercial Phrases. Isaac Pitman & Sons, New York. \$0.25.

Thomas, F. Handbook of Commercial Spanish. C. N. Caspar Co., Milwaukee, Wis. \$0.75.

Yanez, Juan Baedo. Correspondencia Comercial. John Lane Co., New York.

TECHNICAL DICTIONARIES

Below are listed some of the principal technical dictionaries useful not only in correspondence but in preparation of catalogs, advertising matter, etc.

Byrne, O., and Spon, E. Dictionary of Engineering with Technical Terms in French, Spanish, English and German. Spon & Chamberlain, New York. \$22.00.

Chandler, John K. Redman, John C. Government Printing Office, Washington, D. C. Commercial Nomenclature. English, Spanish and Portuguese. Two volumes. Paper, \$2.00; Cloth, \$2.50. Spanish, English and Portuguese. Paper, \$2.00. Portuguese, Spanish and English. Paper, \$2.50. Superintendent of Documents, Government Printing Office, Washington, D. C.

Deinhardt, Kurtz, and Schlomann, Alfred (Eds.). Illustrated Technical Dictionary in Six Languages. Eleven volumes: I. Elements of Machinery. \$2.00. II. Electrical Engineering. \$7.00. III. Steam Boilers, Engines and Turbines. \$4.00. IV. Internal Combustion Engines. \$2.50. V. Railway Construction and Operation. \$3.50. VI. Railway Rolling Stock. \$3.00. VII. Hoisting and Conveying Machinery. \$3.00. VIII. Re-enforced Concrete. \$2.00. IX. Machine Tools. \$3.00. X. Motor Cars, Motor Boats and Aeroplanes. \$4.00. XI. Metallurgy. \$3.00. McGraw-Hill Book Co., New York.

Garcia, A. J. R. V. Dictionary of Engineering Terms in English and Spanish. Spon & Chamberlain, New York. \$1.00.

Dictionary of Railway Terms. Spanish-English, English-Spanish. D. Van Nostrand & Co., New York. \$4.50.

Graham, Jas., and Oliver, George Q. Dictionary of Railway Terms in English and Spanish (1913). Macmillan, New York and London. This dictionary is very valuable for general purposes. It includes many expressions, technical terms, etc.

Foreign Traders' Dictionary. Terms and phrases in Spanish, French, English, German. Commerce and Science. Macmillan, New York. \$1.00.

Halse, E. Dictionary of Spanish-American Mining, Metallurgical and Allied Terms. J. B. Lippincott Co., Philadelphia, Pa. \$3.50.

Hemlett, G. Sea Terms and Phrases. J. B. Lippincott Co., Philadelphia, Pa. \$1.25.

Huelin & Arssu, C. Technological Dictionary. Spanish, English, French, German. Four volumes each, in four languages. Spon & Chamberlain, New York. Each, \$4.00.

Jackson, W. Dictionary of English and Spanish, Technical and Commercial Terms. Spon & Chamberlain, New York. \$1.00.

Lucas, F. Spanish-English Dictionary of Mining Terms. Spon & Chamberlain, New York. \$2.00.

Macdonald, G. R. Spanish-English, English-Spanish Commercial Dictionary. Isaac Pitman & Sons, New York. \$2.25.

Commercial & Technical Terms in the English and Spanish Languages. Whittaker & Co., New York and London. \$0.50.

Pocket Glossary of English-Spanish, Spanish-English Technical Terms. The D. Van Nostrand Co., New York. \$1.00.

Ponce de Leon, N. Technological Dictionary. Munn & Co., New York. Two volumes. English-Spanish, \$8.50. Spanish-English, \$7.50.

Scholl. Phraseology Dictionary. Brentano, New York. Published in separate volumes from English into Spanish, English into French, and English into German. \$2.40.

Slater, J. A. Dictionary of the World's Commercial Products. Spanish, English, German, French. Isaac Pitman & Sons, New York. \$1.00.

Toledano, C. A. Pitman's Commercial Correspondence Grammar. Isaac Pitman & Sons, New York. \$1.00.

Trautwine Engineers' Pocket Book. Spanish edition. Translated by Alberte Smith, C. E., Technical Bureau, N. Y. Valuable for exporters of products of technical nature. 1300 pages, 1400 figures, 600 tables, 450 diagrams. \$5.00.

Veitelle, L. de. Mercantile Dictionary. Spanish, French and English. D. Appleton & Co., New York. \$1.50.

DICTIONARIES

The principal dictionaries in English-Spanish and Spanish-English and Portuguese-English are listed below. A good dictionary is indispensable to every student of Latin American business.

Almeida. Dictionary in Six Languages. French, German, English, Spanish, Italian, Portuguese. G. E. Steckert Co., New York. \$4.00.

Barroeh, George Frederick. Pocket Dictionary of English-Spanish Language.

Beale, W. English-Spanish, Spanish-English Dictionary. Excelsior Pub. House, New York. \$1.00.

Brentano's New English-Spanish Dictionary. Brentano, New York. \$1.50.

Bustamante, P. C. Spanish-English Dictionary. G. E. Steckert & Co., New York. Two volumes. \$1.75.

Cuyas, Arturo (ed.). Appleton's New Spanish-English Dictionary. D. Appleton & Co., New York. \$3.00.

Elmes, A. Spanish-English, English-Spanish Dictionary. D. Van Nostrand, New York. \$1.60.

Hinds. Spanish-English, English-Spanish Dictionary. Hinds-Noble-Eldrege, New York. \$1.00.

Lopez and Bensley. English-Spanish, Spanish-English Dictionary. G. E. Steckert Co., New York. \$5.75.

MacDonald. English-Spanish and Spanish-English Commercial Dictionary. Brentano, New York. \$2.00.

Michaelis. Abridged English-Portuguese Dictionary. G. E. Steckert & Co., New York. \$4.50.

English-Portuguese Dictionary. G. E. Steckert & Co., New York. \$4.25.

Neumann, (Henry) and Baretti, Guiseppe. Dictionary of the Spanish-English language. J. B. Lippincott Sons, New York. \$1.08.

Perez, Jorba J. English-Spanish and Spanish-English Dictionary. Little Brown & Company, Boston, Mass. \$1.25.

Real Academia. Diccionario de la Lengua Castellana. G. E. Steckert Co., New York. \$8.50.

Velazquez, Mariano de la Cadena. A Dictionary of the Spanish-English Language. D. Appleton & Co., New York. \$6.00. With index, \$7.00.

New Spanish Dictionary. D. Appleton & Co., New York. \$1.00.

Wessely, I. E. Handy Dictionary of the English-Spanish Languages. Brentano, New York. \$1.00

SPANISH READERS

The student of Spanish and Portuguese should not only depend upon grammars, but will find readers containing simple and more advanced examples valuable in mastering these tongues. Below are listed some that will serve this purpose:

Arteaga y Pereira, Fernando. A New Spanish-English Vocabulary. D. Appleton & Co., New York. \$1.00.

Berlitz, M. de. *Espanol Comercial*. M. de Berlitz. \$0.75.

Bonilla, R. H. *Spanish Daily Life*. Newson & Co., New York. \$0.90.

Butler, F. *Spanish Traders' Colloquial Phrase Book*. D. Appleton & Co., New York. \$0.50.

Connor, J. *Conversation Book in Spanish and English*. Brentano, New York. \$0.60.

Cornett, W. N. *Spanish-Commercial Correspondence and Technicalities*. Caspar. 75c.

DeVites, M. A. *A Spanish Grammar for Beginners*. Allyn & Bacon. \$1.25.

Espinosa and Allen. *An Elementary Spanish Grammar*. American Book Co. \$1.24.

Garner, S. *Essentials of Spanish Grammar*. American Book Co., New York. \$1.00.

Harrison, E. S. *Spanish Commercial Reader*. Ginn & Co. 90c.

Hills, Elijah Clarence. *Spanish Tales for Beginners*. Henry Holt & Co., New York. \$1.10.

Hossfeld. *Spanish Dialogues*. John Lane Co., New York. \$0.45.

Jaeschke, Richard. *Conversation Dictionary*. English-Spanish, Spanish-English.

Knapp, Wm. Ireland. *Modern Spanish Readings*. Ginn & Co., Boston, Mass. \$1.50.

MacDonald, George R. *A New Spanish-English, English-Spanish Idiom and Phrase Book*. Caspar & Co., Milwaukee.

——. *Pitman's Spanish Commercial Reader*. Isaac Pitman & Sons, New York. \$1.00.

Matzke, John Ernst. *First Spanish Readings*. D. C. Heath & Co., Boston, Mass. \$0.90.

Monteverde, R. de. *Spanish Idioms with English Equivalents*. Macmillan, New York and London. \$0.80.

Pequeño Vocabulario. D. C. Heath & Co. 1500 strictly necessary Spanish words. 20c.

Pinney, A. E. *Spanish and English Conversation*. Ginn & Co., Boston, Mass. Two books. Each, \$0.60.

Pitman, I. Spanish Tourists' Vade Mecum. Isaac Pitman & Sons, New York. \$0.40.

Puron, Juan Garcia. El Lector Moderro de Appleton. A graduated course in Spanish. 30, 40 and 50c.

Romero, T. S. Spanish—Commercial and Professional. McKay. 75c.

Sauer, Carl M., and Roehrich, Wm. Spanish Conversation Grammar. Brentano, New York. \$1.00. Key, \$0.50.

Spanish Dialogues. Brentano, New York.

Schaeffer, Henry. Hossfeld's Spanish Dialogues. Brentano, New York. \$0.45.

Simon, H. Travellers' Colloquial Spanish. Brentano, New York. \$0.50.

Thomas, F. Hand Book of Commercial Spanish. Caspar. 75c.

Umphrey, George Wallace. Spanish Prose Composition. American Book Co., New York. \$0.75.

Waxman, S. M. A Trip to South America. An exercise in Spanish composition. D. C. Heath & Co. 50c.

Willcox, Cernelis de Witt. A Reader of Scientific Technical Spanish for Colleges. Sturgis & Walton Co., New York. \$1.75.

Yanez, Juan Baedo. Spanish Composition. Hirschfeld Bros., New York.

SPANISH CONVERSATION

Below are listed some of the books containing dialogs, etc., which will aid the students of Spanish and Portuguese in mastering these languages.

Ahn, Frederich J. A New Practical Method of Learning Spanish. D. Appleton & Co., New York. \$1.75.

Belem, E. M. De. The Spanish Phrase Book or Key to Spanish Conversation. D. Appleton & Co., New York. \$0.30.

Berlitz, M. D. Spanish With or Without a Master. For Self Instruction or Schools. M. D. Berlitz & Co., New York. \$1.00.

Cornett, W. Spanish Dialogues and Idiomatic Phrases. Hossfeld's Pocket Manuals. John Lane Co., New York.

Cortina, Rafael Diaz de la. The Cortina Methods. Spanish in Twenty Lessons. D. Appleton & Co., New York. \$1.50.

Crockett, Cary Ingram. A Working Knowledge of Spanish. George Barita Publishing Co., Menosha, Wisconsin. 100 pages. \$0.75.

Giese, Frederic Wm. A First Spanish Book and Reader. D. Appleton & Co., New York. \$1.20.

Spanish Anecdotes Arranged for Translation and Conversation. D. C. Heath & Co., Boston, Mass. \$0.60.

Hall, Guillermo. All Spanish Method to Learn Spanish. World Book Co., Yonkers, N. Y. \$1.00.

Necker, Sarah Cary, and Federico, Mora. Spanish Idioms with their English Equivalents. Ginn & Co., Boston, Mass. \$1.80.

PORTUGUESE BOOKS

Portuguez en Portuguez. R. D. de la Cortina Co., New York. \$1.00.

Granest, E. J. New Method of Learning the Portuguese Language. D. Appleton & Co., New York. \$1.70.

Hossfeld. Portuguese Dialogues. John Lane Company, New York. \$1.45.

Pitman, I. International Mercantile Letters. English-Portuguese. Isaac Pitman & Sons, New York. \$1.25.

Dictionaries

Almeida. Dictionary in Six Languages. G. E. Steckert & Co., New York. \$4.00.

Elives, A. Portuguese-English, English-Portuguese Dictionary. D. Van Nostrand & Co., New York. \$2.00.

Michaelis, H. New Dictionary of the Portuguese-English Languages. Lemcke & Buechner, New York. Two volumes, each \$5.00.

Wessely, I. E. Portuguese-English, English-Portuguese Dictionary. Brentano, New York. \$1.00.

Grammars

Branner, J. C. Brief Grammar of the Portuguese Language, with exercises and vocabularies. Henry Holt & Co., New York. \$1.25.

Kordien, G. C., and Krinow, E. Portuguese Conversation Grammar. Brentano, New York. \$1.75. Key, \$0.60.

ATLASES AND GAZETTEERS

Cassell's Atlas. Cassell & Co., New York. \$5.00.

Modern Atlas of the World. C. S. Hammond & Co., New York. \$3.00.

Pictorial Atlas of the World. Hammond & Co., New York. \$5.00.

Harmsworth Atlas and Gazetteer, 500 maps with diagrams, Commercial Statistics and Index of 105,000 names. \$15.00.

Universal Atlas of the World. Rand McNally & Co., Chicago. \$6.00.

Bartholomew, J. G. Atlas of the World's Commerce. Chas. Scribner's Sons, New York. \$4.50.

Handy Reference Atlas of the World. E. P. Dutton & Co., New York. \$2.50.

Twentieth Century Citizens' Atlas of the World. Chas. Scribner's Sons, New York. \$6.00.

Chambers. Concise Gazetteer of the World. J. B. Lippincott Co., New York. \$3.00.

Chistahn, G. G. Longmans' Gazetteer of the World. J. B. Lippincott Co., New York. \$6.40.

Cram, G. T. Atlas of the World. G. T. Cram & Co., Chicago. \$1.25.

Heilprin, A., and L. Lippincott's New Gazetteer. J. B. Lippincott & Co., New York. \$10.00.

Hirst, W. A. Guide to South America. Macmillan Co., New York. The best work of its kind that has been published, containing much valuable information regarding South America. \$1.75.

Maunder, S. Treasury of Geography. Longmans, Green & Co., New York. \$1.75.

Patten, W., and Homans, J. E. New Encyclopedic Atlas and Gazetteer of the World. P. F. Collier's Sons, New York. \$3.75.

Valuable Books on Geography

Adams, C. C. Text Book of Commercial Geography (1911). D. Appleton & Co., New York. \$1.30.

——. Elementary Commercial Geography. D. Appleton & Co., New York. \$1.00.

Bartholomew, J. G. An Atlas of Economic Geography. Oxford University Press. (1914). 64 colored maps. \$1.75.

Bowman, Israel. South America, a Geography Reader. Yale University, Rand McNally & Co., Chicago. (1915). 354 pages. 75c.

Brigham, A. P. Commercial Geography (1911). Ginn & Co., Boston. \$1.30.

Chisholm, G. G. Handbook of Commercial Geography (1911). Longmans, Green & Co., New York. \$4.80.

Freeman, W. G., and Chandler, S. E. World's Commercial Products. Ginn & Co., Boston, Mass. \$3.50

Stanford. Compendium of Geography. J. B. Lippincott & Co., New York. \$5.50.

BOOKS AND PUBLICATIONS CONCERNING LATIN AMERICA, ITS COMMERCE AND OPPORTUNITIES

Books Concerning Latin America.—The bibliography relating to Latin America is already large and steadily growing. The last five

years, many valuable books relating to the Latin American republics have been published, and the publication of still others is announced. For the purpose of obtaining an idea of trade opportunities the manufacturer should read the reports relating to commercial conditions, but in order thoroughly to appreciate and realize the opportunities for business, these should be supplemented by a reading of books concerning the people of Latin America, their governments, customs, industries, products, manufactures, etc. Those who intend to make Latin American business a life work will find it important to know something of the history of the republics and their literature, art, etc. Books relating to these topics can be obtained without difficulty. The following is a list of the more important ones which the student will find useful. It is by no means complete but will afford a starting place for wider reading.

PUBLICATIONS RELATING TO LATIN AMERICA IN GENERAL

In addition to the numerous books which deal with individual Latin American countries, there are other volumes which are devoted to Latin America as a whole, or to groups of countries therein. Some of the principal ones more recently published are listed below:

Commercial Traveler in South America. Experiences of a commercial traveler in South America, related in a series of letters to the Editor of the Bulletin of the Pan-American Union and reprinted from the Bulletin of the Pan-American Union. 16 pages. Illustrated. Free.

Latin American Trade. Foreign Trade in 1913. A general survey. Reprint from the Bulletin of the Pan-American Union of December, 1914. Free.

Panama to Patagonia; the Isthmian Canal and the West Coast Countries of South America. A. C. McClurg & Co., Chicago (1906).

Sightseeing in South America. Fizzell & Greenfield, New York. (1912). \$1.50.

Adams, A. A. Plateau People of South America. E. P. Dutton & Co., New York. (1915). \$1.25.

Akers, Charles Edmund. A History of South America, 1854-1904. E. P. Dutton & Co., New York. (1912). New edition with an additional chapter bringing the history to the present day. \$4.00.

Bingham, Hiram. Across South America. An account of a journey from Buenos Aires to Lima by way of Potosi with notes on

Brazil, Argentina, Bolivia, Chile and Peru. Houghton Mifflin & Co., Boston and New York. (1911). \$3.50.

The Journal of an Expedition Across Venezuela and Colombia, 1906-1907. An exploration of the route of Bolivar's celebrated march of 1819 and of the battlefields of Boyaca and Carabobo. Yale Publishing Association, New Haven, Conn.

Babson, Roger W. The Future of South America. Little Brown & Co., Boston. (1915). 407 pages. \$2.00.

Bonsal, Stephen. The American Mediterranean. Moffat Yard & Co., New York. (1912). \$3.20.

Boyce, W. D. Illustrated South America. A Chicago publisher's travels and investigations in republics of South America. Rand, McNally & Co., Chicago. (1912).

Brady, Cyrus Townsend. South American Fights and Fighters, and Other Tales of Adventure. Doubleday, Page & Co., New York. (1910). \$1.50.

Brown, C. S. Vesey (ed. and compiler). South American Year Book. (1915). (Incorporating the South American Railway Year Book). Louis Cassier Co., Ltd., London. (1915). A valuable and very useful work. \$8.50.

Bryce, James. South America. Observations and impressions. Macmillan Co., New York. (1912). \$2.70.

Buckman, Wm. Under the Southern Cross in South America. (1914).

Calderon, F. Garcia. Latin America, Its Rise and Progress. With a preface by Raymond Miall. Charles Scribner's Sons, New York. (1913).

Clemenceau, Georges E. B. South America Today. Political and commercial side of Argentina, Uruguay and Brazil as a result of travel in 1910. G. P. Putnam's Sons, New York. \$2.00.

Clark, Francis E. The Continent of Opportunity. The South American Republics, their history, their resources, their outlook. Fleming H. Revell Co., New York. (1907). 349 pages. 80 plates. \$1.50.

Currier, Charles Warren. Lands of the Southern Cross. A Visit to South America by Rev. Charles Warren Currier. Spanish-American Publication Society, Washington, D. C. (1911). \$1.50.

Curtis, William Eleroy. Between the Andes and the Ocean. An account of an interesting journey down the west coast of South America from the Isthmus of Panama to the Straits of Magellan. Duffield & Co., New York. (1907). 442 pages.

Dawson, Thomas C. The South American Republics. A history of

political aspects of South America, country by country. G. P. Putnam's Sons, New York. In two volumes. Each, \$1.50.

Domville-Fife, Charles W. Guatemala and the States of Central America. Francis Griffiths, London. James Pott & Co., New York. (1913). \$3.00.

Enock, Reginald C. The Republics of Central and South America. Their resources, industries, sociology and future. Charles Scribner's Sons, New York. (1913). \$3.00.

——. The Tropics. Charles Scribner's Sons, New York. (1915). 466 pages. \$4.50.

Forest, A. S. Tour Through South America. Pott, New York, \$3.00.

Hale, Albert. Practical Guide to Latin America, Including Mexico, Central America, the West Indies and South America. Preparation, cost, routes, sightseeing. Small, Maynard & Co., Boston. (1909). 300 pages. \$1.00.

Halsey, Frederick M. (statistician). The Railways of South and Central America. A manual of the railways, with full information about control, earnings, traffic finances, etc. Francis E. Fitch, New York. \$1.25.

Hirst, W. A. A Guide to South America. A South American Baedeker, describing systematically the methods of travel, the places to visit in every country, expenses, etc. Macmillan, New York. \$1.75.

Hutchinson, Lincoln. Trade Conditions in Argentina, Paraguay and Uruguay. Special Agents Series No. 8. Department of Commerce, Washington, D. C.

Keane, A. H., and Markham, C. R. Central and South America (in Stanford's Compendium of Geography and Travel).

Koebel, W. H. Romance of the River Plate. Bradbury Agnew & Co., Ltd., London, 1914. Two volumes. \$42.50.

——. South America. Adam and Charles Black, London. (1913).

Lummis, Charles F. The Spanish Pioneers. A. C. McClurg & Co., Chicago. (1893). 292 pages. Illustrated. \$1.00.

Moses, Bernard. South America on the Eve of Emancipation. The Southern Spanish colonies the last half-century of their dependence. G. P. Putnam's Sons, New York and London. (1908). \$1.50.

Mozans, H. J. Along the Andes and Down the Amazon. With an introduction by Col. Theodore Roosevelt. D. Appleton & Co., New York. (1911). \$3.50.

Palmer, Frederick. Central America and Its Problems. An account of a journey from the Rio Grande to Panama with introductory

chapters on Mexico and her relations to her neighbors. Moffat, Yard & Co., New York. (1910). \$2.50.

Pearson, Henry C. The Rubber Country of the Amazon. A detailed description of the great rubber industry of the Amazon Valley, which comprises the Brazilian states of Para, Amazonas and Matto Grosso, the territory of the Acre, the montaña of Peru and Bolivia, and the southern portions of Colombia and Venezuela. *The India Rubber World*, New York.

Peck, Annie S. The South American Tour. George H. Doran Co., New York. (1913).

Peixotto, Ernest. Pacific Shores from Panama. Charles Scribner's Sons, New York. (1913).

Putnam, George Palmer. The Southland of North America. Rambles and observations in Central America during the year 1912. G. P. Putnam's Sons, New York. (1913). With 96 illustrations from photographs by the author. \$2.50.

Ross, Edward Alsworth. South of Panama. Century Co., New York. \$2.40.

Ruhl, Arthur. The Other Americans. The cities, the countries, and especially the people of South America. Charles Scribner's Sons, New York. (1908). \$2.00.

Sears, Anna. Two on a Tour in South America. D. Appleton & Co., New York. (1913). Description of a trip around the coasts of South America. \$2.00.

Shepherd, William R. Latin America. Henry Holt & Co., New York. (1914). \$0.50.

Van Dyke, Henry Weston. Through South America. With introduction by John Barrett, Director General of the Pan-American Union. Thomas Y. Crowell Co., New York. (1912). 446 pages. Illus. maps, 80. \$1.50.

Verrill, A. H. South and Central American Trade Conditions To-day. Dodd Mead & Co. \$1.25.

Waleffe, Maurice de. The Fair Land of Central America. Translated by Violette M. Montagu. Preface by Sir A. Conan Doyle. John Long, Ltd., London.

Whitney, Casper. The Flowing Road. Adventuring on the great rivers of South America. J. B. Lippincott Co., Philadelphia.

Winter, Nevin O. Guatemala and Her People of Today. Being an account of the land, its history and development. The people, their customs and characteristics; to which are added chapters on British Honduras, and the republic of Honduras, with reference to the other countries of Central America, Salvador, Nicaragua and Costa Rica. L. C. Page & Co., Boston. (1909). \$3.00.

Zahm, Rev. J. A. Through South America's Southland. D. Appleton & Co., New York. \$3.50.

BOOKS AND PUBLICATIONS RELATING TO INDIVIDUAL LATIN AMERICAN COUNTRIES

Below are listed the books and publications relating to individual Latin American countries which will be found of value by the student. Naturally many other volumes are available and lists thereof may be obtained in any Public Library.

Argentina

Argentina. General descriptive data. Illustrated. Pan-American Union, Washington, D. C. Free.

The Argentina Year Book, 1914. To which is added a chapter on the republics of Uruguay and Paraguay. Buenos Aires, Robert Grant & Co.

Fraser, John Foster. The Amazing Argentina. Funk & Wagnalls. \$1.50.

Hammerton, J. A. The Real Argentina. Dodd Mead & Co., New York. (1914). \$2.50.

Hirst, W. A. Argentina. With an introduction by Martin Hume. Charles Scribner's Sons, New York. (1910). \$3.00.

Hutchinson, Lincoln. Trade conditions in Argentina. Special Agents Series No. 8. (1916). Department of Commerce, Washington, D. C.

Hurley, Edward N. Banking and Credit in Argentina, Brazil, Chile and Peru. A study from the manufacturers' point of view of the financial environment of American trade in the countries named. Special Agents Series No. 90. Department of Commerce, Washington, D. C.

Koebel, W. H. Argentina; Past and Present. Kegan Paul Trench Trubner & Co., London. (1910). Dodd, Mead & Co., New York. \$4.00.

Modern Argentina. The Eldorado of To-day. With note on Uruguay and Chile. Dana Estes & Co., Boston, Mass.

Lloyd, Reginald (Director in chief). Twentieth century impressions of Argentina. Its history, people, commerce, industries and resources. Lloyd's Greater Britain Publishing Co., Ltd., London.

Martinez, Albert B. Baedeker of the Argentina Republic. Including also parts of Brazil, the republic of Uruguay, Chile, and Bolivia. D. Appleton & Co., New York. \$3.00.

Martinez, Albert B., and Lewandowski, M. *Argentina in the Twentieth Century*. Chas. Scribner's Sons, New York. (1915). \$1.50.

Mills, G. J. *Argentina*. D. Appleton & Co., New York. (1915). \$1.50.

Pennington, A. Stuart. *The Argentina Republic, its physical features, history, fauna, flora, geology, literature and commerce*. Stanley Paul & Co., London. F. A. Stokes & Co., New York. (1910). \$3.00.

Santamarina, J. P. *The Argentine Republic. Developments, Facts and Trade Features*. J. P. Santamarina, New York.

Whelpley, James Davenport. *Trade Development in Argentina*. Special Agents Series No. 43. (1911). Department of Commerce, Washington, D. C.

Winter, Nevin O. *Argentina and Her People of Today. An account of the customs, characteristics, amusements, history and advancement of the Argentinians, and the development and resources of their country*. L. C. Page & Co., Boston. \$3.00.

Bolivia

Bolivia. General descriptive data prepared by the Pan-American Bureau, Washington, D. C.

Bandelier, Adolph Francis Alphonse. *The Island of Titicaca and Koati*. Hispanic Society of America, New York. \$5.00.

Conway, Sir Martin. *The Bolivian Andes*. Harper Bros., New York and London. \$3.00.

Keane, A. H. In *Stanford's Compendium of Geography*.

Walle, P. *Bolivia*. Chas. Scribner's Sons, New York. (1914). \$3.00.

Wright, Marie H. *Bolivia*. George Barrie's Sons, Philadelphia, Pa. (1907). \$10.00.

Brazil

Brazil. General descriptive data. Illustrated. Pan-American Union, Washington, D. C. Free.

Twentieth Century Impressions of Brazil. Its history, people, commerce, industries and resources. Lloyd's Greater Britain Publishing Co., London. (1913).

Bruce, G. J. *Brazil and Brazilians*. Dodd, Mead & Co., New York. (1914). 307 pages. \$3.00.

Buley, E. C. *North Brazil, 1914. South Brazil, 1914*. D. Appleton & Co., New York. Each, \$1.50.

Cook, William Anzel. *By Horse, Canoe and Float Through the Wilderness of Brazil*. Werner Co., Akron, Ohio. \$1.25.

Denis, Pierre. *Brazil*. With historical chapter by Bernard Miall.

T. Fisher Unwin, London and Leipsic. Dodd, Mead & Co., New York. \$3.00.

Domville-Fife, Charles W. *The United States of Brazil. With a chapter on the Republic of Uruguay.* Francis Griffiths, London. (1910). \$2.50.

Hutchinson, Lincoln. *Trade conditions in Brazil. A study of the position of the United States in the Brazilian market. Special Agents Series No. 1.* (1906). Department of Commerce, Washington, D. C.

Kerby, Major J. Orton. *An American Consul in Amazonia.* William Edwin Rudge, New York. (1911). \$2.50.

Lange, Algot. *In the Amazon Jungle. Adventures in remote parts of the upper Amazon including a sojourn among cannibal Indians.* Edited in part by J. Odell Hauser with an introduction by Frederick S. Dellenbaugh. G. P. Putnam's Sons, New York and London. \$2.50.

Oakentill, J. C. *Brazil in 1911.* Pan-American Union, Washington, D. C. Free.

William, J. P. *Brazilian Year Book.* G. R. Fairbanks, 68 Broad Street, New York. \$11.00.

Winter, Nevin O. *Brazil and Her People of Today. An account of the customs, characteristics, amusements, history and advancement of the Brazilians, and the development of their country.* L. C. Page & Co., Boston. \$3.00.

Wright, Marie Robinson. *The Brazilian National Exposition of 1908, in Celebration of the Centenary of the Opening of Brazilian Ports to Commerce of the World by the Prince Regent Dom Joao VI of Portugal in 1908.* Geo. Barrie and Sons, Philadelphia.

The New Brazil, Its Resources and Attractions, Historical, Descriptive and Industrial. George Barrie & Sons, Philadelphia. C. D. Cazenove & Co., London and Paris. \$10.00.

Chile

Chile. *A handbook.* Pan-American Union, Washington, D. C. Illustrated.

Chile. *General descriptive data.* International Bureau of American Republics, Washington, D. C.

Twentieth Century Impressions of Chile. Director in chief, Reginald Lloyd. Editors, W. Feldwick and L. T. Delaney. Lloyd's Great Britain Publishing Co., Ltd. (1915). 568 pages.

Municipal Organization of Santiago de Chile. Illustrated. Pan-American Union, Washington, D. C.

Canton, Julio Perez. Chile. An account of its wealth and progress. With an introduction by Robert P. Porter. George Routledge and Sons., Ltd., London. Rand, McNally & Co., Chicago. \$1.00.

Chile, Its Wealth and Progress. Rand, McNally & Co., Chicago. \$1.50.

Elliot, G. F. Scott (M. A., F. R. G. S.). Chile, Its History and Development, Natural Features, Products, Commerce and Present Conditions. T. Fisher Unwin, London. Chas. Scribner's Sons, New York, \$3.00.

Keane, A. H. In Stanford's Compendium of Geography.

Koebel, W. H. Modern Chile. G. Bell & Sons, Ltd., London. (1914). Macmillan, New York. \$3.00.

Maitland, Francis J. G. Chile. Its land and people, natural features, development and industrial resources of a great South American Republic. Francis Griffiths, London. (1914).

Mansfield, R. E. Progressive Chile. Meade Publishing Co., New York. (1913). \$2.00.

Mills, G. J. Chile. D. Appleton & Co., New York. (1914). \$1.50.

Ortuzar, Adolfo (Consul General of Chile in the United States). Chile of Today. Its commerce, its production, and its resources. National yearly publication of reference. Subventioned by the Chilean Government. Tribune Association, New York. (1907).

Poirier, Eduardo. Chile en 1908, 1910. Barcelona, Santiago. (1909).

Smith, W. Anderson. Temperate Chile. Adam and Charles Black, London.

Wright, Marie Robinson. The Republic of Chile. The growth, resources and industrial conditions of a great nation. George Barrie & Sons, Philadelphia. C. D. Cazenove & Son, London and Paris. \$10.00.

Colombia

Colombia. A Handbook. Pan-American Union, Washington, D. C. Eder, Phanor James. Colombia. Charles Scribner's Sons, New York. (1913). \$3.00.

Levine, V. Colombia. A history of the country, the people, economics, business, industries, etc. D. Appleton & Co., New York.

Mozans, H. J. Up the Orinoco and Down the Magdalena. D. Appleton & Co., New York. (1910). \$3.00.

Nicolas, E. C. Across Panama and Around the Caribbean. H. M. Caldwell Co., Boston. \$1.00.

Pepper, Charles M. Trade Conditions in Colombia. Special Agents Series No. 16. Department of Commerce, Washington, D. C. \$0.10.

Petre, Francis Loraine. *The Republic of Colombia. An account of the country, its people, its institutions and its resources.* Edward Stanford, London.

Seriggs, W. L. *The Colombian and Venezuelan Republics.* Little, Brown & Co. \$1.75.

Costa Rica

Costa Rica. General descriptive data. Illustrated. Pan-American Union, Washington, D. C.

Calvo, Joaquin Bernardo. *The Republic of Costa Rica.* Rand McNally & Co., Chicago and New York.

Palmer, Frederick. *Central America and Its Problem.* Moffat, Yard & Co., New York. (1910). \$2.50.

Vose, Edward Neville. *Costa Rica. No. 1 in Commercial Monographs.* Dunn's International Review, New York.

Waleffe, Maurice de. *The Fair Land of Central America.* Translated by Violette M. Montagu. Preface by Sir A. Conan Doyle. John Long, Ltd., London.

Cuba

Cuba. General descriptive data. Illustrated. Pan-American Union, Washington, D. C.

Baedeker, Karl. *The United States, with Excursions to Mexico, Cuba, Porto Rico, and Alaska.* Handbook for travelers. Fourth revised edition. Karl Baedeker, Leipzig.

Gral, Dr. Manuel F. Alfonso, and Martinez, T. Valero. *Cuba Before the World. Souvenir Guide of Cuba Co., Havana.* (1915). 223 pages. \$2.00.

Hill, R. F. *Cuba and Porto Rico and other Islands of the West Indies.* Century Co., New York. \$3.00.

Lindsay, Forbes. *Cuba and Her People of Today.* An account of the history and progress of the island previous to its independence—and in particular an examination of its present political conditions, its industries, natural resources and prospects. L. C. Page & Co., London. \$3.00.

Pepper, Charles M. (commercial agent). "Trade Conditions in Cuba." Special Agents Series No. 5 (1906). Department of Commerce, Washington, D. C.

Reynolds, Charles B. "Standard Guide to Cuba." A new and complete guide to the island of Cuba, with maps, illustrations, routes of travel, history and an English-Spanish phrase book. Foster and Reynolds, Havana and New York. 50c.

Robinson, A. G. "Cuba as a Buyer and Seller." Special Agents Series No. 61. Department of Commerce, Washington, D. C.

——. "Cuba, Old and New." Longmans Green & Co., New York. (1915). 264 pages. \$1.75.

Verrill, A. H. "Cuba Past and Present." Dodd, Mead & Co., New York. (1914.) \$1.50.

Wright, Irene A. "Cuba." Macmillan, New York. (1910.)

Ecuador

"Ecuador." General Descriptive data. Illustrated. Pan-American Union, Washington, D. C.

"Guia del Ecuador Compania. El Ecuador." Guia comercial e industrial de la republica editado por la Compania "Guia del Ecuador." Artes Graficas de E. Rodenas, Guayaquil.

Enoch, C. Reginald (F.R.G.S.). "Ecuador. Its Ancient and Modern History, Topography and Natural Resources, Industries and Social Development." Charles Scribner's Sons, New York.

Pepper, Charles M. "Trade Conditions in Ecuador." Special Agents Series No. 19. Department of Commerce, Washington, D. C.

Wolf, Teodoro. "Geografia y geologia del Ecuador." Publicada por orden del supremo gobierno de la republica. F. A. Brockhaus, Leipzig.

Guatemala

"Guatemala." General descriptive data. Illustrated. Pan-American Union, Washington, D. C.

Brigham, W. J. "Guatemala." Chas. Scribner's Sons, New York. \$5.00.

Domville-Fife, C. W. "Guatemala and the States of Central America." James Pott & Co., New York. Price \$3.00.

Neville, Edward (ed.). "Guatemala." Dun's International Review, New York. (1913).

Winter, Nevin O. "Guatemala and Her People of To-day." An account of the land, its history and development, the people, their customs and characteristics. Published by L. C. Page & Co., Boston.

Haiti

"Haiti." General descriptive data. Pan-American Bureau, Washington, D. C.

Leger, J. N. "Haiti, Her History and Her Detractors." Neale Publishing Co., New York and Washington. \$3.00.

Honduras

"Honduras." General descriptive data. Illustrated. Pan-American Union, Washington, D. C.

Keane, A. H. In "Stanford's Compendium of Geography."

Neville, Edward (ed.). "The Republic of Honduras." *Dun's International Review*, New York.

Mexico

"Mexico." General descriptive data. Pan-American Union, Washington, D. C.

Blichfeldt, E. H. "A Mexican Journal." Thomas Y. Crowell Co., New York.

Carson, W. E. "Mexico, the Wonderland of the South." Macmillan, New York. (1914). 449 pages. \$2.50.

Enock, C. Reginald. "Mexico." Its ancient and modern civilization, history and political conditions, etc. Charles Scribner's Sons, New York. T. Fisher Unwin, London. \$3.50.

Fyfe, Hamilton. "The Real Mexico." MacBride, Nast & Co., New York. (1914.) \$1.25.

Goodrich, Joseph King. "The Coming Mexico." A. C. McClurg & Co., Chicago.

Hale, Susan. "Mexico." G. P. Putnam's Sons, New York. T. Fisher Unwin, London. (1911.)

MacHugh, R. J. "Modern Mexico." Methuen & Co., Ltd., London. Dodd, Mead & Co., New York. \$3.00.

Morris, Charles. "The Story of Mexico." A land of conquest and revolution. John C. Winston Co., Philadelphia. (1914). 404 pages. \$1.20.

Pepper, Charles M. (commercial agent). "Trade Conditions in Mexico." Special Agents Series No. 4. Department of Commerce, Washington, D. C.

Terry, T. Philip. "Mexico. Handbook for Travellers." With two maps and twenty-five plans. Sonora News Co., Mexico. Houghton, Mifflin & Co., Boston. \$2.50.

Winter, Nevin O. "Mexico and Her People Today, her Civil Wars." An account of the customs, characteristics, amusements, and history of the Mexicans. L. C. Page & Co., Boston. \$3.00.

Panama

"Isthmian Tourists' Guide and Business Directory." A directory of the republic of Panama and Colon. Isthmian Guide and Directory Co., Ancon.

"Panama." Commercial monographs. Dun's International Review, New York.

"Panama." General descriptive data. Pan-American Union, Washington, D. C.

Abbot, Willis J. "Panama and the Canal." The story of its achievement, its problems and its prospects. Dodd, Mead & Co., New York.

"Panama and the Canal in Picture and Prose." Syndicate Publishing Co., New York and London.

Allen, Emory Adams. "Our Canal in Panama." The greatest achievement in the world's history. United States Publishing Company, Cincinnati.

Bullard, Arthur. "Panama, the Country, the Canal, the People." Macmillan, New York.

Burriss, Charles Walker. "Panama." A guide to the Pacific Coast from Panama to San Francisco in picture and word. Kansas City. 50 cents.

Collins, John O. "The Panama Guide." Vibert & Dixon, Panama.

Edwards, Albert. "Panama; the Canal, the Country and the People." Macmillan, New York. \$2.50.

Fraser, John Foster. "Panama and What It Means." Cassell & Co., Ltd., London.

Haskins, Frederic J. "The Panama Canal." Doubleday, Page & Co. This is a very interesting and informative account of the Panama Canal.

Haskins, William C. "Guide to the Republic of Panama and Classified Business Directory." A. Bienknowski, Ancon, Canal Zone, and Panama R. P. Star and Herald Company, Panama.

Hutchison, Lincoln. "The Panama Canal and International Trade." Macmillan, New York. The effect of the opening of the canal upon the trade competition of the leading commercial nations. \$1.75.

Lindsay, C. H. Forbes. "Panama and the Canal Today. L. C. Page & Co., Boston. \$3.00.

"Panama. The Isthmus and the Canal." J. C. Winston Co., Philadelphia.

Scott, R. "The Americans in Panama." Statler Publishing Co., New York.

Paraguay

"Paraguay." General descriptive data. Pan-American Union, Washington, D. C.

Bourgade, E. de la Dardye (Dr.). "Paraguay. The Land, the

People, Natural Wealth and Commercial Capabilities." George Philip & Son, London and Liverpool.

Hardy, M. E. (D.Sc.). "Paraguay." \$3.00.

Koebel, W. H. "In Jesuit Land. The Jesuit Missions of Paraguay." With an introduction by P. B. Cunningham Graham. Stanley, Paul & Co., London.

Macdonald, Alexander K. "Picturesque Paraguay." Sport, pioneering, travel. A land of promise. Stockraising, plantation industries, forest products, commercial possibilities. Charles H. Kelly, London.

Peru

"Peru." General descriptive data. Pan-American Union, Washington, D. C.

Adams, W. H. Davenport. "The Land of the Incas and the City of the Sun." The story of Francisco Pizarro and the conquest of Peru. Dana, Estes & Co., Boston. \$1.00.

Bingham, Hiram. "In the Wonderland of Peru." Judd & Detweiler, Washington, D. C. A work accomplished by the Peruvian expedition of 1912, under the auspices of Yale University and the National Geographic Society.

Enoch, C. R. "Andes and the Amazon; Life and Travel in Peru." Chas. Scribner's Sons, New York. (1910.) \$1.50.

Garland, Alexander. "Peru in 1906." With a brief historical and geographical sketch. Translated into English by George R. Gepp. *La Industria*, Lima.

Guinness, Geraldine. "Peru: Its Story, People and Religion." Morgan & Scott, London. Fleming H. Revell Co., New York. \$2.50.

Markham, Clements Robert. "A History of Peru." Charles H. Sergel & Co., Chicago.

Martin, P. F. "Peru of the Twentieth Century." Longmans, Green & Co. (1911.) \$4.20.

Todd, Millicent. "Peru—a Land of Contrasts." Little, Brown & Co., Boston. 314 pages. \$2.00.

Vivian, E. C. "Peru." D. Appleton & Co., New York. (1914.) \$1.50.

Wright, Marie Robinson. "The Old and New Peru." A story of the ancient inheritance and the modern growth and enterprise of a great nation. George Barrie & Sons, Philadelphia. \$10.00.

Salvador

"Salvador." General descriptive data. Pan-American Bureau, Washington, D. C.

Levna, J. "The Republic of Salvador." (1913.)

Martin, Percy F. (F.R.G.S.). "Salvador of the Twentieth Century." Edward Arnold, London. (1911.) Longmans, Green & Co., New York. \$4.20.

Santo Domingo

Verrill, A. H. Porto Rico Past and Present and Santo Domingo. Dodd, Mead & Co., New York. (1914.)

——. Santo Domingo. A handbook. Pan-American Union, Washington, D. C.

Uruguay

"Twentieth Century Impressions of Uruguay." Its history, people, commerce, etc. Lloyd's Greater Britain Publishing Co., Ltd., London.

"Uruguay." General descriptive data. Pan-American Union, Washington, D. C.

Domville-Fife, C. W. "Chapter in United States of Brazil." Jas. Patt & Co., New York. (1911.) \$2.50.

Hammerton, J. A. "Uruguay"—in "The Real Argentina." Dodd, Mead & Co., New York. \$2.50.

Koebel, W. H. "Uruguay." Charles Scribner's Sons, New York. T. Fisher Unwin, London, \$3.00.

Venezuela

"Venezuela." General descriptive data. Pan-American Union, Washington, D. C.

Bates, Lindon, Jr. "The Path of the Conquistadores." Houghton, Mifflin & Co., Boston. A history and description of the country and people of Venezuela and Guiana, etc.

Curtis, William Eleroy. "Venezuela; a Land Where It's Always Summer." Harper & Bros., New York.

Dalton, Leanord V. (B.Sc.) "Venezuela." T. Fisher Unwin, London and Leipzig.

PUBLICATIONS OF THE PAN-AMERICAN UNION

From the Pan-American Union may also be obtained publications which are useful in the study of trade conditions and business opportunities in Latin America. These publications, which include books, pamphlets, maps, etc., are of two classes. First, those which are free of cost. These may be obtained by addressing a letter to a United States Senator or a Member of Congress, and requesting that the Pan-American Bureau forward a copy. Second, those for which a charge is made to cover the actual cost and expense of printing.

To obtain the latter, letters should be addressed to the Pan-American Union, Washington, D. C. Remittances must accompany the order and must be made in cash, by post-office money order, or by bank drafts on banks in New York City or Washington, D. C., payable to the order of the Pan-American Bureau.

Publications Listed Elsewhere.—In the general list of publications relating to Latin America are included a number of monographs for freight distribution which have been compiled and published by the Pan-American Union. A complete list of the publications of the Union may be had upon application.

The Principal Publications.—Following are some of the principal publications which are available at the prices quoted:

Bulletin of the Pan-American Union. An illustrated monthly magazine. This is a carefully edited illustrated magazine, printed on high-class paper, containing many interesting illustrations and half-tone engravings. It gives in most attractive, readable and reliable form much information, descriptive, commercial, general, and specific, desired by all classes of persons interested in Pan-American progress and development. The subscription to the English edition is \$2.00 per year.

"Panama Canal. What It Is and What It Means." A handbook containing much valuable information. 128 pages. \$1.00.

"The Pan-American Union; Peace, Friendship, Commerce." By John Barrett, Director General. A very handsome book bound in cloth, containing 253 pages. It includes an account of the history and work of the Union, views of the new Pan-American building, etc. 50 cents.

"Mexico. A Geographical and Historical Sketch." Published in 1911. Very complete. \$1.00.

Other publications.—Among the other publications of the Bureau are the following: "American Constitutions," "Inter-Continental War Reports," "Patent and Trade-Mark Laws," "Mining and Tariff Laws," "Maps"; a series of addresses delivered at various times and having reference to Pan-America, some of the principal ones being "The United States and Latin America," "Pan-Americanism," "Pan-American Possibilities," "Contrasts in the Development of Nationality in the Anglo- and Latin-American," etc.; bibliographical bulletins; reports containing special data, by countries.

Sale of Books by Other Publishers.—The Pan-American Bureau sells certain books and publications of other publishers for the convenience of its correspondents. These naturally concern themselves with Latin American topics exclusively. The Bureau also reprints certain government publications.

Miscellaneous Technical Works Relating to Export Trade.—There are a number of books which are indispensable to the manufacturer interested in export trade. The purchase of these volumes will be an excellent investment and their frequent consultation will be found profitable. A list of these works will be found on page —.

PUBLICATIONS OF THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE

The growing interest in Latin American trade and its possibilities have resulted in the publication of many bulletins and monographs by the Bureau of Foreign and Domestic Commerce. They cover a wide field and are valuable in the study of Latin American conditions.

What Commercial Agents' Reports Are.—Commercial agents' reports are generally of two classes: those which deal with trade conditions, and those relating to specific lines of merchandise. In addition, numerous other reports have been published concerning certain specific problems in exporting. These will be found to contain many practical suggestions.

The Use of Manuscript Reports.—The Bureau of Foreign and Domestic Commerce receives from various sources reports on different lines of trade and manufactures. As the demand for these is not sufficiently great to justify their publication they are kept in manuscript form. Upon application they are sent to interested manufacturers and exporters, who may glean from them valuable suggestions. Among reports in manuscript of this character are the following: "Foreign Markets for Wire Rope," "Belting Trade in Latin America," "Sawmill and Woodworking Machinery," "Adding and Calculating Machines," "Production of Quick Silver, Lead and Zinc in Foreign Countries."

The Use of Annual Reports of Consular Officers.—A source of much information which can be drawn upon freely for the purpose of obtaining data regarding the possibilities of the various countries is the annual reports exacted of American Consular officers. These reports cover the entire country or district to which the Consul is assigned. They embrace a review of the general commercial and industrial conditions for the year, and point out the changes which are occurring, together with an outline of opportunities for the sale of American manufactures.

A complete list of the publications of the Department of Commerce available for distribution, revised and corrected to date of issue, is published about twice each year and contains general information concerning the publications issued by the department. Per-

sons desiring to have their names placed on the mailing list to receive copies of either the complete list or the monthly list should address the Chief Division of Publications, Department of Commerce, Washington, D. C.

The free distribution of many of the publications of the Department is confined to libraries, educational institutions, the press and commercial organizations.

PUBLICATIONS OF THE DEPARTMENT OF COMMERCE

Following is a list of the principal publications of the department of commerce which will be of interest to the student of Latin American trade problems. The publications listed below may be procured at the prices specified by remittance to the Superintendent of Documents, Government Printing Office, Washington, D. C. Remittances should be made by postal money order, express order, or New York draft. Postage stamps and uncertified checks are not accepted. No charge is made for postage on documents forwarded to points in the United States.

REPORTS ON SPECIFIC TRADES

Besides the general reports on Latin American trade which are issued by the Department of Commerce, there are available reports compiled for specific industries or branches of commerce. Some of the principal ones are listed below. A complete list of such publications may be had upon application to the Chief, Division of Publications, Department of Commerce, Washington, D. C.

Canned Goods

Thayer, E. A. "South American Trade in Canned Goods." Special Agents Series No. 87 (1914). Price 5 cents.

Coal

"Coal Trade in Latin America." Special Consular Reports No. 43, part I (1910). Price 5 cents.

Cooking Fat

"Cooking Fats in South America." Special Consular Series No. 67 (1915). Price 5 cents.

Cotton and Cotton Goods

Clark, W. A. Graham. "Cotton Goods in Latin America," part I. Cuba, Mexico and Central America. Special Agents Series No. 31 (1909). Price 10 cents.

"Cotton Goods in Latin America," part II. Brazil, Colombia, and Venezuela. Special Agents Series No. 36 (1910). Price 10 cents.

"Cotton Goods in Latin America," part III. Argentine, Uruguay and Paraguay. Special Agents Series No. 40 (1910). Edition exhausted.

"Cotton Goods in Latin America," part IV. Chile, Bolivia, Peru, Ecuador, Jamaica and Porto Rico. Special Agents Series No. 44 (1911). Price 10 cents.

Drugs, Patent Medicine, Etc.

Whayer, E. D. "South American Markets for Drug Products, Patent and Proprietary Medicines, Surgical Instruments and Dental Supplies." Special Agents Series No. 85. Price 10 cents.

Flour and Wheat

Turner, John M. "Flour Trade in Latin America," part I, Porto Rico. Special Agents Series No. 35 (1910). Price 5 cents.

Iron and Steel

Brill, S. S. "Hardware Markets of South America." Special Agents Series. The monograph will be ready for distribution early in 1916.

Jewelry and Silverware

"South American Market for Jewelry and Silverware." Special Consular Series No. 70 (1915). Price 5 cents.

Lumber

Simmons, R. E. "Lumber Markets of South America." Special Agents Series. Price 5 cents.

Machinery and Machine Tools

"Machine Tools in Latin America." Special Consular Reports No. 58 (1913). Price 5 cents.

Massel, J. A. "Machinery and Machine Tools in South America." Special Agents Series.

Mining

"Zinc Industry in Mexico." Special Consular Series No. 41, part II (1909). Edition exhausted.

Motor Vehicles

"Development of Motor-Vehicle Trade Abroad." Special Consular Reports No. 59 (1913). Supplements Special Consular Reports No. 53. Price 5 cents.

"Foreign Markets for Motors and Vehicles." Special Consular Reports No. 53 (1912). Presents information as to number of cars in use, domestic production, imports, exports, prices, etc. Price 10 cents.

"Motor Machines." Special Consular Series No. 40, Part I. Price: part I, 15 cents; part II, 15 cents.

Musical Instruments

"Foreign Trade in Musical Instruments." Special Consular Reports No. 55 (1912). Price 10 cents.

Optical Goods

"Optical-Goods Trade in Foreign Countries." Special Consular Reports No. 46 (1911). Price 10 cents.

Paints and Varnishes

"Foreign Trade in Paints and Varnishes." Special Consular Reports No. 56 (1912). Discusses demand for paints, pigments, and varnishes, the sources of supply, domestic production, imports, climatic conditions affecting class of paints sold, etc. Price 10 cents.

Shoe and Leather Trade

Butman, Arthur B. "Shoe and Leather Trade in Argentina, Chile, Peru and Uruguay." Special Agents Series No. 37 (1910). Price 10 cents.

"Shoe and Leather Trade in Brazil, Venezuela and Barbados." Special Agents Series No. 41 (1910). Price 5 cents.

"Shoe and Leather Trade in Cuba and Mexico." Special Agents Series No. 33 (1909). Edition exhausted.

Soap

"South American Market for Soap." Special Consular Series No. 66 (1915). A summary of the conditions obtaining in the soap trade of the South American countries, the present and past sources of supply, the kinds of soap in favor, etc. Price 5 cents.

ADVERTISING MEDIUMS

"Foreign Publications for Advertising American Goods." Miscellaneous Series No. 10 (1913). Gives a general idea of the cost of advertising in some of the principal newspapers and periodicals throughout the world, the lines of trades represented, circulation, subscription, price, etc. Price 25 cents.

BANKING AND CREDIT

Wolfe, Archibald J. "Foreign Credits." Special Agents Series No. 62 (1913). Price 30 cents.

Hurley, E. N. "Banking and Credit in Argentina, Brazil, Chile and Peru." Special Agents Series No. 90. Price 10 cents.

Lough, William H. "Banking Opportunities in South America." Special Agents Series No. 106 (1915). Price 10 cents.

"Financial Developments in South American Countries." Special Agents Series No. 103. Price 5 cents.

COMMERCE REPORTS

Commerce Reports. Published daily with supplements containing annual reviews of trade by the consuls covering every country of the world. Price \$2.50 per year, or \$6.00 for the four quarterly volumes bound in cloth with complete index. Single copies of the daily, 5 cents.

CONVERSION TABLES, ETC.

"Factors in Foreign Trade." Miscellaneous Series No. 7 (1912). States language used in foreign countries, currency with equivalents in United States money; weights and measures with equivalents in United States terms, etc. Price 5 cents.

PACKING FOR EXPORT

"Consular Recommendations on South American Trade." Miscellaneous Series No. 20 (1914). Price 5 cents.

"Packing for Export." Miscellaneous Series No. 5 (1911). Contains general statements as to responsibility for proper packing,

aim of packer, methods of transportation, climatic conditions, etc.
Price 15 cents.

GENERAL TRADE CONDITIONS

"Export Trade Suggestions." Special Agents Series No. 33. Price 15 cents.

"Statements on the Latin-American Trade Situation." Miscellaneous Series No. 18 (1914). Price 5 cents.

"Trade Conditions in Central America and on the West Coast of South America." Special Agents Series No. 9 (1906). Edition exhausted.

"Winning Foreign Markets." Special Consular Series No. 41, part I (1908). Price 25 cents.

Albrecht, Charles H. "Development of the Dominican Republic." Special Consular Reports No. 65. Price 5 cents.

Butman, Arthur B. "Trade Conditions in Mexico." Special Agents Series No. 4 (1906). Edition exhausted.

—. "Trade Conditions in Mexico." Special Agents Series No. 22 (1908). Edition exhausted.

Harris, Gerrard. "Central America as an Export Field." Special Agents Series. Price 30 cents.

Hutchinson, Lincoln. "Trade Conditions in Brazil." Special Agents Series No. 1 (1906). Edition exhausted.

Pepper, Charles M. "Trade Conditions in Colombia." Special Agents Series No. 16 (1907).

—. "Trade Conditions in Cuba." Special Agents Series No. 5 (1906). Edition exhausted.

—. "Trade Conditions in Ecuador." Special Agents Series No. 19 (1908).

—. "Trade Conditions on the West Coast of South America." Special Agents Series No. 21 (1908). Edition exhausted.

Robinson, A. G. "Cuba as a Buyer and Seller." Special Agents Series No. 61 (1912). Price 5 cents.

Turner, John M. "Trade Developments in Latin America." Special Agents Series No. 34 (1911). Price 5 cents.

Whelpley, James Davenport. "Trade Development in Argentina." Special Agents Series No. 43 (1911). Price 10 cents.

Wilson, Otto. "South America as an Export Field." Special Agents Series No. 81. Price 25 cents.

STATISTICAL PUBLICATIONS

"Annual Review of the Foreign Commerce of the United States (1913)." Miscellaneous Series No. 14. Price 5 cents.

"Commerce and Navigation." Annual statement of the commerce of the United States, presenting in great detail the trade by articles and countries, stating the countries from which article or class of articles is imported and to which each article or class of articles is exported during a five-year period, etc. Price \$1.00.

"Commercial Relations of the United States with Foreign Countries." Presents tables of imports and exports of each country of the world, compiled from its own statistics, etc. Price 40 cents.

Monthly Summary of Commerce and Finance. Presents statistics of the foreign commerce of the United States for the month of issue and for the accumulated period ended with the month of issue, with comparative figures for corresponding periods of previous years, etc. Annual subscription price \$1.50. Single copies 15 cents.

"Statistical Abstract of the United States." Published annually. Price 50 cents.

"Trade of the United States with other American Countries." Miscellaneous Series No. 23 (1915). Price 20 cents.

"Trade of the United States with the World." Miscellaneous Series No. 15. Price 15 cents.

TRANSPORTATION RATES AND FACILITIES

Gueydan, E. H. "Transportation Facilities of Colombia and Venezuela." Special Agents Series.

Sheridan, F. J. "Transportation Rates to the West Coast of South America." Special Agents Series No. 72 (1913). Price 10 cents.

JOURNALS RELATING TO LATIN AMERICA

The growing interest in Latin American affairs is proven by the rapidly increasing number of journals which circulate in the Southern Republics. The following list will be found of interest and value.

American Exporter (with Domestic Supplement). Johnston Export Publishing Co., 17 Battery Place, New York. Annual subscription \$3.00. Single copies 25 cents. (Also Spanish and Portuguese editions.)

Commercial America. Philadelphia Commercial Museum, Philadelphia, Pa. Annual subscription \$1.50. Single copies 15 cents.

Continental. 25 Broad St., New York. Monthly. Spanish. Annual subscription \$1.50. Single copies 15 cents.

Cuba Review. Munson Steamship Line, 82 Beaver Street. Annual subscription \$1.00. Single copies 10 cents.

Dun's International Review. R. G. Dun & Co., 290 Broadway, New York. Annual subscription \$3.00. Single copies 25 cents.

El Comercio (in Spanish). J. Shepherd Clark Co., 114 Liberty Street, New York. Annual subscription \$3.00. Single copies 30 cents.

El Espejo de la Moda. Butterick Publishing Co., Mallery Building, Chicago, Ill. Monthly. A fashion magazine. Distributed in Latin America.

El Indicador Comercial (in Spanish). Indicador Mercantile Co., 1328 Broadway, New York. Distributed free in Latin America.

El Mercurio (in Spanish). Mercurio Publishing Co., New Orleans, La. Annual subscription \$1.50. Single copies 15 cents.

El Mundo de Hoy (in Spanish). Doubleday, Page & Co., Garden City, Long Island. Monthly. Annual subscription \$3.00. Single copies 25 cents. (Spanish edition of *The World's Work*.)

El Norte Americano (in Spanish). South American Publishing Co., No. 1 Broadway, New York. Annual subscription \$1.00. Single copies 10 cents.

Export American Industries. Steven de Csesznak, Inc., 30 Church Street, New York. Annual subscription \$2.00. Single copies 25 cents. (Also Spanish edition.)

Exporters-Importers Journal. Henry W. Peabody & Co., 17 State Street, New York. Annual subscription \$5.00. Single copies 50 cents.

Exporter's Review. Exporter's Encyclopedia Co., 80 Broad Street, New York. Annual subscription \$3.00. Single copies 25 cents.

La Hacienda (in Spanish and Portuguese). La Hacienda Co., Buffalo, N. Y. Annual subscription \$3.00. Single copies 25 cents.

Las Americas. Official organ of Las Americas Association. Hotel McAlpin, New York. Spanish. Annual subscription price \$3.00. Single copies 25 cents.

Las Novedades (in Spanish). Francisco J. Peynado & J. B. Vicini de Burgos, 225 W. 39th Street, New York. Daily. Annual subscription \$5.00. Single copies 12 cents.

La Prensa (in Spanish). Viera Publishing Co., 24 Stone Street, New York. Weekly. Annual subscription \$2.50. Single copies 5 cents.

Latin America. 502 Board of Trade Building, New Orleans. Semi-monthly. English and Spanish. Annual subscription \$2.00. Single copies 10 cents.

National Foreign Trade. National Foreign Trade Council, 64

Stone Street, New York. Monthly. Sent free to all interested in foreign trade.

Pictorial Review. 216 West 31st St., New York. Spanish edition. "De Luxe" and "Economica." Annual subscription \$1.50. Single copies 15 cents. (Other publication of same journal, *Arte de Vestir*.)

Sister Republics. Denver, Colo. Quarterly. English and Spanish. Annual subscription 50 cents. Single copies 5 cents.

The Americas. National City Bank, Foreign Department, New York. Free upon application.

The Nation's Business. Chamber of Commerce of the United States of America, Washington, D. C. Annual subscription \$1.00. Single copies 10 cents.

The Pan-American Bulletin. Pan-American Bureau, Washington, D. C. Annual subscription \$2.00. Single copies 25 cents.

The Pan-América Directory. Pan-America Directory Corporation, 212 Broadway, New York. Issues a directory of U. S. manufacturers, circulated among business men, importers, etc. Published semi-annually, April, October. Claimed circulation 100,000 (50,000 each). Advertising rates (two issues): 1 page \$400, half-page \$250, quarter-page \$150, eighth-page \$90. For one issue only, 20 per cent. advance. Page size 8 by 10.

The Pan-American Magazine. Pan-American Magazine (Inc.), 35 W. 32d Street, New York. Annual subscription \$2.50. Single copies 25 cents.

The Pan-American Review. Canal-Louisiana Bank Bldg. English and Spanish monthly. Annual subscription \$3.00. Single copies 25 cents.

The South American. South American Publishing Co., Inc., No. 1 Broadway, New York. Annual subscription \$1.00. Single copies 10 cents.

TYPICAL ADVERTISING RATES IN EXPORT JOURNALS

The rates given below are naturally subject to some variation dependent upon specific conditions in the contracts for space. Invariably rates are high for contracts of less than twelve months' duration. Additional charges are generally made for covers, for special locations opposite reading matter, etc. These rates will, however, be found useful in making comparisons. Naturally circulation and rates are subject to change.

	Monthly Circula- tion	Size	Dimension	Single Insert- tion	Six Months' Contract	Twelve Months' Contract
American Exporter..... (Spanish Edition)	12,000	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	7x10	\$100.00 60.00 35.00	\$92.00 55.00 32.20	\$80.00 48.00 28.00
*Dun's Review.....	28,769	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	10 $\frac{1}{4}$ x6 $\frac{3}{4}$ 10 $\frac{1}{4}$ x3 $\frac{3}{16}$ 5 $\frac{1}{4}$ x3 $\frac{3}{16}$	125.00 68.75 37.50	115.00 63.25 34.50	100.00 55.00 30.00
El Comercio.....	12,000	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	7x10 7x4 $\frac{1}{4}$ 3 $\frac{3}{8}$ x4 $\frac{7}{8}$	..... ..... .....	100.00 60.00 40.00	90.00 50.00 30.00
El Indicador Mercantil..	5,378	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	..... ..... .....	100.00 60.00 35.00	85.00 50.00 30.00	80.00 45.00 27.50
Export American Indus- tries	40,000	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	7x10	156.25 94.75 58.85	144.15 86.25 54.15	125.00 75.00 47.98
Spanish edition, App.... English edition, App....	25,000 15,000					
Exporters and Importers Journal	15,000	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	9x12 $\frac{1}{2}$ 4 $\frac{1}{2}$ x12 $\frac{1}{2}$ 3x9	..... ..... .....	..... ..... .....	1,000.00 500.00 300.00
Exporters' Review .....	.....	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	..... ..... .....	140.00 80.00 45.00	250.00 130.00 80.00	450.00 240.00 130.00
La Hacienda.....	30,831	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	7x9 $\frac{1}{8}$ 7x4 $\frac{1}{8}$ 7x2 $\frac{3}{8}$	140.00 80.00 48.00	..... ..... .....	126.00 72.00 43.20
Mercurio.....	14,059	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	7 $\frac{1}{2}$ x9 $\frac{5}{8}$ 7 $\frac{1}{2}$ x4 $\frac{3}{4}$ 3 $\frac{1}{2}$ x4 $\frac{3}{4}$	..... ..... .....	..... ..... .....	51.20 32.00 19.20
The Cuba Review.....	4,000	full page $\frac{1}{2}$ " $\frac{1}{4}$ "	..... ..... .....	48.00 24.00 12.00	..... ..... .....	..... ..... .....
El Espejo de la Moda ...	10,000	.....	.....	15.00	per column	per insert

* Both English and Spanish Editions.

LIST OF THE PRINCIPAL DIRECTORIES OF THE LATIN AMERICAN REPUBLICS¹

The following is a list of the principal directories of the Latin American Republics. New volumes are constantly appearing and should be used as quickly as available.

Argentine Republic

Buenos Aires. Robert Grant & Co., Cangallo, 542. \$3.00 m. n.

English address book of residents in the Argentine and Uruguayan

¹ Many of the foreign directories may be obtained from Felix Rey de Castro, 55 Broadway, New York City.

Republics of British and North American nationality or descent.
Robert Grant & Co.

Guia Kraft (1915). Buenos Aires, G. Kraft, Cangallo, 641. \$4.84 gold.

Guia Nacional de la Republican Argentina. Pablo Basch (1907). Buenos Aires, Guemes 431.

Guia Periodistica Argentina. Lerose & Montmassin, 440 Calle Larrea, Buenos Aires. A newspaper and magazine directory of Argentina.

The English Standard Directory of the Argentine Republic (1914). Edward & Fase, Libertad 543, Buenos Aires.

Bolivia

Guia Comercial de la Ciudad de La Paz (1901). La Paz, Calle Lanza No. 4. Propietarios, Mugia y Gimenez.

Brazil

Almanach de Pernambuco para e anno de 1907. Recife, Rua Barao da Victoria 37.

Almanak administrativo, mercantil e industrial do Estado No. do para 1904-5. Editores, F. Cardoso & Co., Pará, Brazil.

Almanak administrativo, mercantil e industrial de Rio de Janeiro e indicador para 1907. Editora e proprietaria, Companhia Typographica do Brazil Rua dos Invalidos 93, Rio de Janeiro.

Almanak do Estado da Bahia (1909). Bahia, Reis & Co., Rua Dr. Manoel Victoriano, 23. 5\$000 (1.56).

Almanak Laemmert, Anuario administrativo agricola, profissional, mercantil e industrial de Rio de Janeiro e indicador para 1911-12. Rua Sete de Setembro No. 34. 15\$000.

Same of Brazilian States. 15\$000. Both volumes, 30\$000.

Almanaque Brasileiro Garnier (1914). Rio de Janeiro, 109 Rua do Ouvidor.

Anuario Commercial do Estado de Sao Paulo (1905-6). Sao Paulo, Proprietarios Medeiros & Comp. Rua do Carmo No. 15. Price, with postage, L 1.0.

Indicadoe Commercial Santista (1908). Organizadores Laercio Trindade e A. L. Ventura. Caixa de Correio No. 255. Santos, Brazil.

Chile

Anuario Prado Martinez (1903). Santiago de Chile Centro Editorial de Alberto Prado Martinez, Almada de las Delicias No. 281.

Annuario Zig-Zag—Guía General de Chile (1914). Published by the Empresa Zig-Zag, Teatinos 666, Santiago. \$1.50.

El Libro Azul. Directorio Profesional, Commercial e industrial de Chile, Santiago (1910-11).

Guía Sud-Americana y General de Chile (1910-11). Calle Coch-rane 70, Valp. L5

Colombia

Directorio General de Colombia (1898). Autor propietario, Lisimaco Palua. Bogota, Imprenta Nacional.

Guía del Comercio de Bogota (1905). Julio Parga Polania Bogota, Escuela Tip. Salesiana.

Guía y Directorio de la Ciudad de Catagena (1907). Cartagena, Tip. "La Patria" Editores, Yllan Ferrer & Co.

Costa Rica

Directorio Comercial y Arancel de Aduanas de la Republica de Costa Rica (1908). Libreria e Imprenta de Antonio Lehman, San José. By James McScott. 5 colones.

Guía directorio de la Ciudad de San Jose por Genaro Peralta F. (1905). San José de Costa Rica, Imprenta de Antonio Lehman, Avenida Central Oesta No. 48.

Guía directorio de la Republica de Costa Rica (1905). Editor-Proprietario Arturo del Valle. San Jose de Costa Rica, Imprenta de Avelino Alsina, Apartado 249.

Cuba

Guía-Directorio del Comercio, profesiones e industria de la Isla de Cuba (1915). Bailly-Balliere Exclusive agent for island of Cuba, Luis Gimenez Herranz, Aguiar 101, Habana.

Directorio general de la Republica de Cuba (1907-8). Editores propietarios Compania del Directorio General, Habana, Ramida y Bouza, Obispo No. 33. \$5.30 gold.

Directory of Cuba. Universal Publicity Co., 45 W. 34th Street, New York.

Ecuador

Guía Comercial de Quito y Guayaquil (1906). J. F. Lassus Cordeville, editor, Quito Imprenta y Encuadernacion Salesiana.

Guatemala

Directorio Oficial y Guia General de la Republica, 1915-1916. Marroquin Hermanos, Guatemala.

The Blue Book of Guatemala, 1915. Editor, Col. J. Bascom Jones. Searcy & Pfaff, New Orleans. (1915). 406 pages.

The Traveler's Guide in the Republic of Guatemala (1909). Directorio Nacional de Guatemala (1908). Pablo Duchez, Editor. Guatemala, Tip Nacional.

McScott, James. Directorio Comercial de la Republica de Guatemala (1909). Eduardo Aguirre Velasquez y Cia., Guatemala. \$2.50 U. S. gold.

Honduras

Guia de Honduras. Somoza-Vivas Barthold, 4 Stone Street, New York.

Fletes, Ernesto. Commercial Directory of Honduras (1911). For distribution by Pan-American Union.

Mexico

Directorio General de la Ciudad de Mexico (1913-14). (Directorio Ruhland.) De venta en la "Libreria International" Calle Espiritu Santo 1-1/2, Mexico, D. F. \$10 Mex cy. Issued alternate years.

Same of Mexican States (1913-14). Issued alternate years.

Official Mining Directory of Mexico (1911). English and Spanish. John R. Southworth and Percy G. Holmes, Apartado 2381, Mexico.

The Acost Directory of English-speaking residents of Mexico (1910). Apartado, 1102. There are also directories of the larger cities.

Romero, José. Guia de la Ciudad de Mexico (1910). Libreria de Porrua Hermanos, 2a. de Relox, Mexico, D. F.

Nicaragua

Commercial Index Western Nicaragua, issued by the American Consulate at Managua, in the interest of American trade extension.

Guia General de Nicaragua. Daniel S. Melendez, editor, San Salvador, Tip. "La Union" Calle Oriente No. 4.

Panama

Commercial Directory of the Republic of Panama (1912). Ripo-graffa "Diario de Panama."

Guia Directorio de la Ciudad de Panama, 1906. Panama Tip. Chevalier, Andreve & Cia.

Guide and Business Directory of Colon and Cristobal, 1908. Edited by E. Clifford Bynoe. Colon. "The Independent," 36 Avenue do Paez, Colon. 50 cents gold.

Panama at a Glance. Pocket Guide to Panama City. Panama, the Panama Real Estate Co.

Paraguay

Guia General del Paraguay, 1914. Editor Manuel W. Chaves. Asuncion, Talleres de Tip y Enc. "El Pais," Ayolas 73.

Peru

Almanaque de "El Comercio" (1914). Callo Ayacucho 304, Lima.

Almanaque de "Mercurio" (1908). Trujillo, Peru, Progreso 54.

Directorio Annal del Peru (1910). Tomo 1, Provincia de Lima y El Callao. Imprenta del Estado, Escuela de Artes y Oficion, Lima.

Philippines

Rosenstock's Manila City Directory. (Name given by Bureau of Insular Affairs.)

Porto Rico

The Pictorial Guide and Business Directory of Porto Rico. A commercial guide and general business directory. F. E. Platt & Co., 32 Bond Street, New York. (June 1, 1913.) Fully illustrated. English and Spanish.

Salvador

Guia del Salvador, publicacion semistral del comercio, industrias, profesiones, empresas de F. C. y Vapores, correos, telegrafos, telefonos, etc. Jose M. Lacayo Tellez, editor, San Salvador, Tip. "La Union" Dutriz Hnos. 25 cents copy.

Uruguay

Almanaque. Guia del Siglo, Montevideo, Uruguay. Published in October. Circulation 12,000. Complete Directory of the Republic. \$1.55 gold cloth. \$2.15 gold.

Gran Almanaque de "El Siglo" (1915). Montevideo.

See also under Argentina, first directory.

Guia Nacional (1912). Montevideo. \$6.00 from Felix Rey de Castro, New York.

Venezuela

Guia o Directorio Anual de Caracas y Venezuela (1912-13). Suc. del Gral. 1. Casa Praag, Caracas.

GENERAL

Anuario del Comercio (1911). Madrid, Libreria Editorial de Bailliere e hijos, Plaza de Santa Ana No. 10. 4 volumes. Contains list of firms, etc., in Spain, her colonies and (Vol. IV) the Latin American Republics. New York City agent, R. L. Polk & Co., Brunswick Building, 225 Fifth Avenue. \$10.00 gold.

Business Directory of manufacturers, dealers, exporters, importers and banks and bankers of New Orleans, La., and British Honduras, Guatemala, El Salvador, Spanish Honduras, Nicaragua, Costa Rica and Panama (1908). United Fruit Co. [Classified.]

Exporter's Encyclopedia, 1915. Complete Export Shipping Guide. Contains consular charges and list of S.S. routes and companies.

Kelly's Directory of merchants, manufacturers and shippers and guide to the export and import, shipping and manufacturing industries of the world (1914). London. Annual. Kelly Publishing Co., 5 Beekman Street, New York City.

Official Shippers' Guide of the Pacific Mail Steamship Co. (December, 1907). Contains lists of bankers, importers and exporters, commercial firms, and populations of United States, Mexico, and Central America. Distributed gratis to importers and exporters throughout countries named. Z. D. Dunn, 497 Pearl Street, New York, compiler and publisher.

Anuario Comercial de la Republica Mexicana. Commercial Directory of Mexico. \$7.00.

Anuario de la America Latina. Commercial Dictionary of Latin America. \$6.00.

Directory of Latin America. A classified business directory of all the Latin American republics. Universal Publicity Company, 45 West 34th Street, New York.

Guia Directorio de la Isla de Cuba. Directory of Cuba. \$3.00.

TRADE DIRECTORIES. PUBLISHED BY BUREAU OF FOREIGN AND DOMESTIC COMMERCE, WASHINGTON, D. C.¹

Latin-American Trade Directory. Price \$1.00.

Supplement to Trade Directory of South America. Free to the purchasers of the Trade Directory of South America.

Many of the foreign directories listed above may be obtained from Felix Rey de Castro, 55 Broadway, New York City.

Trade Directory of South America. Miscellaneous Series No. 13 (1914). A thorough revision of the South American section of the World's Trade Directory with uniform classification and finding index. Price \$1.00.

Trade Directory of West Indies and Central America. Miscellaneous Series No. 22 (1915). Price 60 cents.

World's Trade Directory. Price \$5.00. Large volume, very complete.

BANKS, BANKING HOUSES AND FOREIGN EXCHANGE BROKERS IN NEW YORK CITY

Below is given a list of the principal financial institutions which are particularly interested in the purchase of bills of foreign exchange. Through these institutions may also be collected or negotiated drafts and documents in Latin American countries. In some instances banks have better facilities in one country than in others for the transaction of business, but those listed have, generally speaking, excellent connections in the Latin American countries.

Ætna National Bank, Greenwich and Warren streets	Bankers Trust Co., 16 Wall Street
American Express Co., 65 Broad- way	Belmont, Aug., & Co., 23 Nassau Street
Amsinck & Co., 6-9 Hanover Street	Bigelow & Co., 49 Wall Street
Anglo-South American Bank, Ltd., 60 Wall Street	Blair & Co., 24 Broad Street
Banco Nacional de Cuba, 1 Wall Street	Bolognesi, A., & Co., 23 Nassau Street
Bank of America, The, 44 Wall Street	Brown Bros. & Co., 59 Wall Street
Bank of British North America, 52 Wall Street	Canadian Bank of Commerce, 16 Exchange Place
Bank of Montreal, 64 Wall Street	Chartered Bank of India, Aus- tralia and China, 88 Wall Street
Bank of New York, 48 Wall Street	Chase National Bank, 83 Cedar Street
Bank of Nova Scotia, 48 Wall Street	Commercial Bank of South America, Ltd., 20 Broad Street
Battery Park National Bank, Produce Exchange, New York	Corn Exchange Bank, William and Beaver streets

- Fisk & Robinson, 26 Exchange Place
 Flint & Co., 25 Broad Street
 Fourth National Bank, 14 Nassau Street
 Frazier, Chas., & Co., 93 Nassau Street
 Gallatin National Bank, 36 Wall Street
 Greenwich Bank, 402 Hudson Street.
 Guaranty Trust Co., 140 Broadway
 Hallgarten & Co., 5 Nassau Street
 Hanover National Bank, Pine and Nassau streets
 Heidelbach, Ickelheimer & Co., 49 Wall Street
 Hollins, H. B., & Co., 15 Wall Street
 Holzman Bros., 26 Exchange Place
 International Banking Corporation, 60 Wall Street
 Irving National Bank, 92 W. Broadway
 Knauth, Nachod & Kuhne, 13 William Street
 Koenig Bros. & Co., 16 Exchange Place
 Ladenburg, Thalmann & Co., 25 Broad Street
 Laidlaw & Co., 26 Broadway
 Lazard Frères, 10 Wall Street
 London & Brazilian Bank, 92 Beaver Street
 London & River Plate Bank, Ltd., 92 Beaver Street
 Mackay & Co., 55 Wall Street
 Maitland, Coppel & Co., 52 William Street
 Manhattan Co., 40 Wall Street
 Merchants Exchange National Bank, 257 Broadway
 Morgan, J. P., & Co., 23 Wall Street
 Mosle Bros., 16 Exchange Place
 Muller, Schall & Co., 44 Wall Street
 Munroe, John, & Co., 30 Pine Street
 National Bank of Commerce, 31 Nassau Street
 National Bank of Cuba, 1 Wall Street
 National Bank of North America, 25 Broad Street
 National City Bank, The, 55 Wall Street
 National Nassau Bank of New York, 7 Beekman Street
 National Bank of Nicaragua, 59 Wall Street
 National Park Bank, 214 Broadway
 National Reserve Bank, 165 Broadway
 Panama Banking Corporation, 17 Battery Place
 Perera, Lionello & Co., 69 Wall Street
 Redmond & Co., 33 Pine Street
 Richard, C. B., & Co., 31-33 Broadway
 Sielcken, Herman, 90 Wall Street
 Seligman & Co., 1 William Street
 Speyer & Co., 24-26 Pine Street
 Turnure & Co., 64 Wall Street
 United States Mortgage & Trust Company, 55 Cedar Street
 Zimmermann & Forshay, 9-11 Wall Street

PRINCIPAL BANKS OF THE LARGE LATIN AMERICAN CITIES

ARGENTINA

Buenos Aires

Banco de la Nacion Argentina	Banco de la Provincia de Buenos Aires
London & River Plate Bank, Limited	Banco Credito Popular
British Bank of South America, Limited	Banco Espanol del Rio de la Plata
London & Brazilian Bank, Limited	Banco Frances e Italiano para America del Sud
Banco Anglo Sud Americano	Banque Francaise pour le Commerce et l'Industrie, Buenos Aires
Banco Aleman Transatlantico	Banco Popular Argentino
Banco Germanico de la America del Sud	
Branch of the National City Bank of New York	

BOLIVIA

La Paz

Banco Nacional de Bolivia	W. R. Grace y Cia.
Banco Francisco Argandona	Banco Chile-Alemania, Oruro
Banco Aleman Transatlantico	Anglo South American Bank, Limited, Oruro
Banco de la Nacion Boliviana	Banco Industrial
Banco Mercantil	

BRAZIL

Rio de Janeiro

Banco do Brazil	Banco Anglo-Sud-Americano
Banco Nacional Brasileiro	Banco Commercial do Rio de Janeiro
Brasiliansche Bank fur Deutschland	Banco do Commercio Rio de Janeiro
London & Brazilian Bank, Limited	Banco do Estado do Rio de Janeiro
London & River Plate Bank, Limited	Banco Mercantil do Rio de Janeiro
British Bank of South America, Limited	Banco Nacional Ultramarino
Branch of the National City Bank of New York	Banco Francesa e Italiana per L'America del Sud
Banco Espanol del Rio de la Plata	

CHILE

Santiago

Banco de Chile	Banco Anglo-Sud-Americano
Banco de Santiago	Edwards y Compania
Banco Aleman Transatlantico	Bauer Germanier de la America del Sud
Banco Nacional	London & River Plate Bank,
Banco Comercial de Chile	Valparaiso
Banco Espanol	
Banco de Chile y Alemania	

All the principal banks have branches in the important cities of the republic.

COLOMBIA

Bogota

Banco de Bogota
Banco de Colombia
Banco del Comercio
Banco Central
C. Schloss y Cia.

Medellin

Restrepo y Cia.
Banco Aleman-Antioqueno

Cartagena

Banco de Bolivar
Banco de Cartagena
Banco Industrial
Pombo Mermanos
Barranquilla
Banco Comercial de Barranquilla
Alzamora Palacio y Cia.

COSTA RICA

San José

Banco Anglo Costaricense	Banco de Costa Rica
Banco Comercial	Banco Comercial de Costa Rica,
Banco Internacional	Limon
Banco Mercantil	Felipe J. Alvarado y Cia., Limon

CUBA

Habana

Banco de Cuba	La Nacional
Banco Nacional de Cuba	The Royal Bank of Canada
Bank of Nova Scotia	The Trust Co. of Cuba
Fidelity & Deposit Co. of Mary- land	Banco de la Habana

DOMINICAN REPUBLIC

Santo Domingo

Banco Nacional de Santo Domingo	Ricart Bierdemann & Co. S. Michelena, Santo Domingo
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ECUADOR

Guayaquil

Banco Comercial y Agrícola	Banco Alvarado y Bejarano
Banco del Ecuador	<i>Quito</i>
Banco Territorial	Banco de Pichincha

GUATEMALA

Guatemala City

Banco Americana de Guatemala	Banco Internacional
Banco de Guatemala	

HAITI

Port au Prince

Banque Nationale d'Haiti	Robert Dutton & Co.
F. Herman & Co.	Otto Bieber & Company

HONDURAS

Tegucigalpa

Banco de Honduras	Banco Atlantida
Daniel Fortin	Banco de Comercio
<i>La Ceiba</i>	Ricardo Streber

MEXICO

Mexico City

Banco Germanico de la America del Sur	Banco Peninsular Mexicano, Merida
International Banking Corporation	Banco de Nuevo Leon Monterrey
Banco de Londres y Mexico	Banco de Durango, Durango
Banco de Montreal	The American Bank of Torreon, Torreon
Banco Nacional de Mexico	
United States and Mexican Trust Co.	

NICARAGUA

Managua

Francisco Breckmann
A. J. Martin
Munkel-Muller & Co.

Cortes Commercial and Banking
Company
Banco Comercial
Banco Nacional de Nicaragua

PANAMA

International Banking Corpora-
tion, Panama

American Trade Developing Co.,
Panama
Panama Banking Co.

PARAGUAY

Asuncion

Banco Agricola
Banco Mercantil

Banco Paraguayo

PERU

Lima

Banco Aleman Transatlantico
Banco del Peru y Londres
Banco Internacional del Peru

W. R. Grace & Company
Banco Popular

SALVADOR

San Salvador

Banco Agricola
Banco Nacional del Salvador

Banco Occidental

URUGUAY

Montevideo

Banco de la Republica
Banco Popular del Uruguay
Banco Comercial
Banco Espanol
Banco Frances
Banco Aleman Transatlantico

Banco Britanico de la America
del Sud
Banco Anglo Sud-Americano
Banco Londres y Rio de la Plata
London & Brazilian Bank, Lim-
ited

VENEZUELA

Caracas

Banco de Venezuela
Banco de Caracas

H. L. Bolton y Cia.
Blohm y Cia., La Guayra

LATIN AMERICAN MONETARY UNITS WITH APPROXIMATE VALUES IN UNITED STATES GOLD DOLLAR

Country	Standard	Monetary Unit	Value in Terms of U. S. Gold Dollar
Argentine Republic.....	Gold.....	Peso.....	\$0.965
Bolivia.....	Gold.....	Boliviano.....	.39
Brazil.....	Gold.....	Milreis.....	.546
Costa Rica.....	Gold.....	Colon.....	.465
Guatemala.....	Silver.....	Peso.....	.403
Honduras.....	Silver.....	Peso.....	.403
Nicaragua.....	Silver.....	Peso.....	.403
Salvador.....	Silver.....	Peso.....	.403
Chile.....	Gold.....	Peso.....	.365
Colombia.....	Gold.....	Dollar.....	1.000
Cuba.....	Gold.....	Peso.....	.926
Ecuador.....	Gold.....	Sucre.....	.487
Haiti.....	Gold.....	Gourde.....	.965
Mexico.....	Gold.....	Dollar (Peso).....	.498
Panama.....	Gold.....	Balboa.....	1.000
Peru.....	Gold.....	Libra.....	4.866½
Santo Domingo.....	Gold.....	Dollar.....	1.000
Uruguay.....	Gold.....	Peso.....	1.034
Venezuela.....	Gold.....	Bolivar.....	.193

DISTANCES TO PRINCIPAL LATIN AMERICAN CITIES IN NAUTICAL MILES, BASED ON THE MOST DIRECT PRACTICABLE ROUTE FROM THE BATTERY, NEW YORK CITY.

	Miles		Miles
To Puerto Mexico.....	1,944	To San Juan (P. R.).....	1,407
“ Habana.....	1,186	“ Barbados.....	1,829
“ Pernambuco.....	3,698	“ Bahia.....	4,089
“ Rio de Janeiro.....	4,770	“ Montevideo.....	5,757
“ Buenos Aires.....	5,871	“ Punta Arenas.....	6,947
“ Las Palmas.....	2,965		

LIST OF LATIN AMERICAN COINS WITH EQUIVALENTS
IN AMERICAN CURRENCY AT PAR VALUE

Denominations	Where Used	U. S. Equivalents at Par
Bolivar.....	Venezuela.....	\$0. 193
Boliviano.....	Bolivia.....	0. 428
Centavo.....	Argentine Republic.....	0. 0096
Centavo.....	Bolivia.....	0. 0042
Centavo.....	Chile.....	0. 0036
Centavo.....	Colombia.....	0. 0042
Centavo.....	Ecuador.....	0. 0048
Centavo.....	Guatemala.....	0. 0097
Centavo.....	Haiti.....	0. 0096
Centavo.....	Honduras.....	0. 01
Centavo.....	Mexico.....	0. 0046
Centavo.....	Nicaragua.....	0. 004
Centavo.....	Paraguay.....	0. 0099
Centavo.....	Peru.....	0. 0048
Centavo.....	Salvador.....	0. 0097
Centavo.....	Santo Domingo.....	0. 01
Centavo.....	Uruguay.....	0. 01034
Centavo.....	Venezuela.....	0. 0096
Centimo.....	Costa Rica.....	0. 0046
Colon.....	Costa Rica.....	0. 465
Dollar or Peso.....	Argentine Republic.....	0. 965
Dollar or Peso.....	Chile.....	0. 365
Dollar or Peso.....	Colombia.....	0. 428
Dollar, Piastre, or Peso.....	Guatemala.....	0. 972
Dollar.....	Honduras.....	1. 00
Dollar.....	Mexico.....	0. 464
Dollar.....	Nicaragua.....	0. 40
Dollar or Peso.....	Paraguay.....	0. 998
Dollar or Sol.....	Peru.....	0. 487
Dollar.....	Salvador.....	0. 972
Dollar.....	Santo Domingo.....	1. 00
Dollar or Peso.....	Uruguay.....	1. 034
Gourde.....	Haiti.....	0. 965
Milreis.....	Brazil.....	0. 546
Peseta.....	Cuba.....	0. 185
Peseta.....	Porto Rico.....	0. 185
Peso or Dollar.....	Argentine Republic.....	0. 965
Peso or Dollar.....	Chile.....	0. 365
Peso or Dollar.....	Colombia.....	0. 428
Peso.....	Cuba.....	0. 926
Peso, Piastre, or Dollar.....	Guatemala.....	0. 972
Peso or Dollar.....	Paraguay.....	0. 998
Peso.....	Porto Rico.....	0. 926
Peso or Dollar.....	Uruguay.....	1. 034
Peso or Venezolano.....	Venezuela.....	0. 965
Piastre, Peso or Dollar.....	Guatemala.....	0. 972
Rei, (plural) Reis.....	Brazil.....	0. 00054
Sol or Dollar.....	Peru.....	0. 487
Sucre.....	Ecuador.....	0. 487
Venezolano.....	Venezuela.....	0. 965

EMBASSIES AND LEGATIONS OF THE UNITED STATES TO THE LATIN AMERICAN REPUBLICS

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Argentine Republic.....	Frederic J. Stimson, Buenos Aires
Brazil	Edwin V. Morgan, Rio de Janeiro
Chile	Joseph H. Shea, Santiago
Mexico	Henry P. Fletcher, Mexico City

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Bolivia	John D. O'Rear, La Paz
Colombia	Thaddeus A. Thomson, Bogota
Costa Rica	Edward J. Hale, San José
Cuba	William E. Gonzales, Habana
Dominican Republic.....	W. W. Russell, Santo Domingo
Ecuador	Charles S. Hartman, Quito
Guatemala	William H. Leavell, Guatemala City
Haiti	A. Bailly-Blanchard, Port au Prince
Honduras	John Ewing, Tegucigalpa
Nicaragua	Benjamin L. Jefferson, Managua
Panama	William J. Price, Panama
Paraguay	Daniel F. Mooney, Asuncion
Peru	Benton McMillin, Lima
Uruguay	Robert E. Jeffery, Montevideo
Venezuela	Preston McGoodwin, Caracas

CHARGÉ D'AFFAIRES

Salvador	Henry F. Tennant, San Salvador
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EMBASSIES AND LEGATIONS OF THE LATIN AMER- ICAN REPUBLICS TO THE UNITED STATES

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Argentine Republic	Señor Dr. Romulo S. Naon
	Office of Embassy, 1806 Corcoran Street, Washington, D. C.
Brazil	Senhor Domicio da Gama
	Office of Embassy, 1780 Massachusetts Avenue, Washington, D. C.
Chile	Señor Don Eduardo Suarez Mujica
	Office of Embassy, 1013 Sixteenth Street, Washington, D. C.
Mexico	Señor Don Eliseo Arredondo
	Office of Embassy, 22 Jackson Place, Washington, D. C.

ENVOYS EXTRAORDINARY AND MINISTERS
PLENIPOTENTIARY

Bolivia	Señor Don Ignacio Calderon
	Office of Legation, 1633 Sixteenth Street, Washington, D. C.
Colombia	Señor Dr. Julio Betancourt
	Office of Legation, 1319 K Street, Washington, D. C.
Costa Rica	Señor Don Manuel Castro Quesada
	Office of Legation, 1501 Sixteenth Street, Washington, D. C.
Cuba	Señor Dr. C. M. de Cespedes
	Office of Legation, 1529 Eighteenth Street, Washington, D. C.
Dominican Republic	Señor Dr. A. Perez Perdomo
	Office of Legation, The Champlain, Washington, D. C.
Ecuador	Señor Dr. Gonzalo S. Cordova
	Office of Legation, 604 Riverside Drive, New York City
Guatemala	Señor Don Joaquin Mendez
	Office of Legation, 1604 K Street, Washington, D. C.
Haiti	M. Solon Menos
	Office of Legation, 1429 Rhode Island Avenue, Washington, D. C.
Honduras	Señor Dr. Alberto Membreno
	Office of Legation, 31 Broadway, New York
Nicaragua	Señor Don Emiliano Chamorro
	Office of Legation, Stoneleigh Court, Washington, D. C.
Panama	Señor Dr. Eusebio A. Morales
	Office of Legation, Stoneleigh Court, Washington, D. C.
Paraguay	Señor Dr. Hector Velaquez
	Office of Legation, 1678 Woolworth Building, New York, N. Y.
Peru	Señor Don Federico Alfonso Pezet
	Office of Legation, 2223 R Street, Washington, D. C.
Salvador	Señor Dr. Rafael Zaldivar
	Office of Legation, 1800 Connecticut Avenue, Washington, D. C.
Uruguay	Señor Dr. Carlos M. de Pena
	Office of Legation, 1734 N Street, Washington, D. C.
Venezuela	Señor Dr. Santos A. Dominici
	Office of Legation, 1406 Massachusetts Avenue, Washington, D. C.

CHARGÉS D'AFFAIRES

Argentina	Señor Don Federico M. Quintana
	Office of Embassy, 1806 Corcoran Street, Washington, D. C.
Honduras	Señor Don R. Camilo Diaz
	Office of Legation, 31 Broadway, New York, N. Y.

PRESIDENTS OF THE LATIN AMERICAN REPUBLICS
AND TERMS OF OFFICE

Argentina.—Term, 6 years—from Oct. 12.

Dr. Hipolito Irigoyen—1916-1922.

Bolivia.—Term; 4 years.

Ismael Montes—Vice-President until Aug. 9, 1914.

Brazil.—Term, 4 years.

Dr. Wenceslau Braz—Term, Nov. 15, 1914-1917.

Chile.—Term, 5 years.

Juan Luis Fuentes—1915-1920.

Colombia.—Term, 4 years.

José Vicente Concha—Aug. 7, 1914-Aug. 7, 1918.

Costa Rica.—Term, 4 years.

Alfredo Gonzalez—May 8, 1914-May 8, 1918.

Cuba.—Term, 4 years.

General Mario G. Menocal—May 20, 1913-May 20, 1917.

Ecuador.—Term, 4 years.

Francisco Balasquier Moreno—1916-1920.

Guatemala.—Term, 6 years.

Manuel Estrada Cabrera—1911-1917.

Haiti.—Term, 7 years.

General Orestes Zamor—1914-1921.

Honduras.—Term, 4 years.

Dr. Alberto Membreño—1915-1919.

Mexico.—Term, 6 years.

Provisional President General V. Carranza—1915-.

Nicaragua.—Term, 4 years.

Adolfo Diaz—May 11, 1912-Dec. 31, 1916.

Panama.—Term, 4 years.

Dr. Belisario Porras—1912-1916.

Paraguay.—Term, 4 years.

Eduardo Scherer—August 15, 1912-1916.

Peru.—Term, 4 years.

Dr. José Pardo—1915-1919.

Salvador.—Term, 4 years.

Carlos Melendez—March 1, 1915-1919.

Santo Domingo.—Term, 6 years.

Juan Isidro Jimenez—Dec. 5, 1914-1919.

Uruguay.—Term, 4 years.

Dr. Feliciano Viera—March 1, 1915-1919.

Venezuela.—Term, 7 years.

Juan Vicente Gomez—Elected April 19, 1914.

FOREIGN FREIGHT FORWARDERS IN NEW YORK

- Adams Express Co., 61 Broadway
 American Express Company., 65 Broadway
 American Shipping Co., 29 Broadway
 D. C. Andrews & Co., 27-29 Water Street
 Austin Baldwin & Co., Inc., 116 Broad Street
 Hardy M. Banks, 15 Whitehall Street
 Black & Geddes, Produce Exchange Bldg.
 Adolf Blum & Popper, 68 Broad Street
 Bowling Green Storage & Van Co., 18 Broadway
 Brasch & Rothenstein, Inc., 32 Broadway
 Byrnes & Lowery, 2-4 Stone Street
 Caldwell & Co., 26 Broadway
 J. J. Cocarro, 1 Broadway
 Columbia Shipping Co., 17 Battery Place
 Cuban & Pan-American Express Co., 42 Broadway
 Davies, Turner & Co., 39 Pearl Street
 T. D. Downing & Co., 1 Broadway, New York
 Bowning's Foreign Express, 45 Pearl Street
 Arthur C. Elliott, 16 Beaver Street
 Eytinge & Co., Inc., 116 Broad Street
 Charles Friedenberg, 17 State Street
 J. Friedenberg & Co., 24 State Street
 Gerhard & Hey, 24 State Street
 J. W. Hampton, Jr., & Co., 17 Battery Place
 Hensel, Bruckmann & Lorbacher, 29 Broadway
 Justus Herwig, Jr., 32 Broadway, New York
 Dietrich Heydemann, 17 Battery Place
 L. S. Holtzoff & Co., 19 Broadway
 International Freight Bureau, 24 State Street
 International Shipping Company, 17 Stone Street
 Jacob & Valentin, 15 Whitehall Street
 Judson Freight Fdg. Co., 17 Battery Place
 Vincent Loeser Co., 228 Produce Exchange Bldg.
 Lunham & Moore, Produce Exchange Bldg.
 Thomas Meadows & Co., Inc., 8-10 Bridge Street
 Michelson & Sternberg, 116 Broad Street
 Morris European & American Express Company, Limited, 53 Broadway
 Munn & Jenkins, Inc., 434 Produce Exchange Bldg.
 Alexander Murphy & Co., 22 State Street
 Oelrich's & Co., 31 Water Street
 Panama & South American Express Co., 122-124 East 25th Street
 Pan-American Express Co., 122-124 East 25th St.
 Charles H. Pattengill, 80 South Street

A. T. Paul & Co., Inc., 70 Wall Street	Snow's U. S. Sample Express Co., Ltd., 17 Battery Place
Pitt & Scott, Ltd., 60 Pearl Street	Joseph Spiero & Co., 17 Battery Place
Porto-Rican Express Co., 17 Battery Place	Transatlantic Shipping Company, 17 Stone Street
Alfred H. Post & Co., 116 Broad Street	Unkart Travis & Co., Inc., 2-4 Stone Street
C. B. Richard & Co., 31 Broadway	F. B. Vandergrift & Co., 15-25 Whitehall Street
A. H. Ringk & Co., 2 Stone Street	F. E. Wallace & Co., 203 Broadway
C. F. Rundspaden & Co., 17 Battery Place	Wells-Fargo & Co., 51 Broadway
H. W. St. John & Co., 37 Pearl Street	Williams Shipping Agency, Inc., 24-26 Stone Street
Schenker & Co., 17 Battery Place	Williams & Terhune, 18 Broadway
G. W. Sellers, 15 Whitehall Street	J. H. Winchester & Co., Produce Exchange Bldg.
G. W. Sheldon & Co., 24 State Street	Young & Glenn, Inc., 68 Broad Street
W. O. Smith & Co., 26 Whitehall Street	

STEAMSHIP LINES TO LATIN AMERICAN REPUBLICS

Argentine Republic.—From New York: American & Rio Plata Line, Barber Line, Houston Line, Lamport & Holt Line, Norton Line, Prince Line.

From Mobile: Munson Line.

From New Orleans: Pan-American-Argentine Line, Houston Line.

From San Francisco: Kosmos Line, Harrison Direct Line.

From Puget Sound: Kosmos Line.

Bolivia.—Has no seaport. May be reached by lines touching at Chilean and Peruvian ports, from which railway lines lead into Bolivia.

Brazil.—From New York: Booth Line, Hamburg So. Am. S.S. Line, Lamport and Holt Line, Lloyd Brasileiro Line, Norton Line, Prince Line, U. S. & Brazil Line.

From Philadelphia: U. S. & Brazil Line.

British Honduras.—From New York: United Fruit Co. Line.

From Mobile: Orr-Laubenheimer Line.

From New Orleans: United Fruit Co. Line.

Chile.—From New York: Merchants' Line, New York and So. Am. Line, West Coast Line.

From San Francisco: Atlantic & Pacific Line, Kosmos Line.

From Portland, Ore.: Atlantic & Pacific Line.

From Seattle: Kosmos Line, N. Y. & Pacific S.S. Line.

Transshipment Routes: Via all lines reaching Panama or Colon connecting with Panama Canal services to the west coast of South America.

Colombia.—From New York: Hamburg-American Atlas Line, Royal Mail S. P. Line, United Fruit Co. Line.

From Mobile: Seeberg S.S. Line.

From Port Arthur: Seeberg S.S. Line.

Transshipment Routes: By all lines reaching Colon or transshipping through the Panama Canal.

Costa Rica.—From New York: Hamburg-American Atlas Line, United Fruit Co. Line.

From Boston: United Fruit Co. Line.

From Mobile: United Fruit Co. Line.

From New Orleans: United Fruit Co. Line.

From Pacific Coast Ports: Atlantic & Pacific Line, Kosmos Line.

Transshipment Routes: By all lines reaching Colon or transshipping through the Panama Canal.

Cuba.—From New York: American & Cuban Line, Benner Line (sailers), Compania Transatlantica Line, Hamburg-American Atlas Line, Munson Line, New York & Cuba S.S. Line, Royal Mail S. P. Line, United Fruit Co. Line.

From Boston: Havana Line, United Fruit Co. Line.

From Baltimore: Munson Line.

From Mobile: Munson Line.

From New Orleans: Southern Pacific S.S. Line, United S.S. Line.

From Galveston: United S.S. Line.

Dominican Republic.—From New York: Clyde Line, Donald Line.

From Mobile: Seeberg Line.

From New Orleans: Seeberg Line, United S.S. Line.

From Galveston: United S.S. Line.

From Port Arthur: Seeberg Line.

Ecuador.—From New York: Merchants' Line.

From San Francisco: Atlantic & Pacific S.S. Line, Kosmos Line.

From Portland, Ore.: Atlantic & Pacific S.S. Line.

From Puget Sound: Kosmos Line, N. Y. & Pacific S.S. Line.

Transshipment Routes: Reached by lines to Colon and Panama.

Guatemala.—From New York: United Fruit Co. Line.

From Mobile: Orr-Laubenheimer Line, United Fruit Co. Line.
From New Orleans: United Fruit Co. Line.
From Galveston: United Fruit Co. Line.
From San Francisco: Atlantic & Pacific Line, Kosmos Line, Pacific Mail Line.
From Portland, Ore.: Atlantic & Pacific Line.
From Puget Sound: Kosmos Line, N. Y. & Pacific Line.
Transshipment Routes: Reached by lines transshipping at Colon or Panama.

Haiti.—From New York: Hamburg-American Atlas Line, Royal Dutch W. I. Mail Line.

From Mobile: Seeberg Line.
From New Orleans: Seeberg Line, United S.S. Line.
From Galveston: United S.S. Line.
From Port Arthur: Seeberg Line.

Honduras.—From New York: United Fruit Co. Line.

From Mobile: Orr-Laubenheimer Line, United Fruit Co. Line.
From New Orleans: Hubbard-Zemurray Line, Independent Line, United Fruit Co. Line.
From San Francisco: Atlantic & Pacific Line, Kosmos Line, Pacific Mail Line.
From Portland, Ore.: Atlantic & Pacific Line.
From Puget Sound: Kosmos Line, New York & Pacific Line.
Transshipment Routes: Reached by lines transshipping at Colon or Panama.

Mexico.—From New York: American & Cuban Line, N. Y. & Cuba Mail Line, Campania Transatlantica Line.

From Newport News: Norway-Mexico Gulf Line.
From Mobile: Atlantic & Mexican Gulf Line.
From New Orleans: Atlantic Fruit Co. Line, Atlantic & Mexican Gulf Line, Montes S.S. Line, Wolvin Line.
From Texas City: Wolvin Line.
From San Francisco: Jesben Line, Kosmos Line, Pacific Mail Line.

From Puget Sound: Kosmos Line.

Transshipment Routes: Via Lines reaching Colon or Panama.
Freight may also be shipped by railroads via El Paso, Eagle Pass, Laredo, or Nogales.

Nicaragua.—From New Orleans: Atlantic Fruit Co. Line, Bluefields Fruit Co. Line.

From San Francisco: Atlantic & Pacific Line, Kosmos Line, Pacific Mail Line.

From Portland, Ore.: Atlantic & Pacific Line.

From Puget Sound: Kosmos Line, N. Y. & Pacific Line.

Transshipment Routes: Reached by lines transshipping at Colon or Panama.

Panama.—From New York: Hamburg-American Atlas Line, Panama R.R. S.S. Line, Royal Mail S. P. Line, United Fruit Co. Line.

From Mobile: Seeberg Line, United Fruit Co. Line.

From New Orleans: Seeberg Line, United Fruit Co. Line.

From Galveston: United Fruit Co. Line.

From San Francisco: Atlantic & Pacific Line, Kosmos Line, Pacific Mail Line.

From Portland, Ore.: Atlantic & Pacific Line.

From Puget Sound: Kosmos Line, N. Y. & Pacific Line.

Paraguay.—No direct lines. All lines reaching Montevideo or Buenos Aires transship at those ports for points in Paraguay.

Peru.—From New York: Merchants' Line, N. Y. & South America Line, West Coast Line.

From San Francisco: Atlantic & Pacific Line, Kosmos Line.

From Portland, Ore.: Atlantic & Pacific Line.

From Puget Sound: Kosmos Line, N. Y. & Pacific Line.

Transshipment Routes: All Lines reaching Colon or Panama transship to lines for Peruvian ports.

Porto Rico.—From New York: Bull-Insular Line, N. Y. & Porto Rico Line, Red "D" Line.

From Mobile: N. Y. & Porto Rico Line.

From New Orleans: N. Y. & Porto Rico Line.

From Galveston: N. Y. & Porto Rico Line.

Salvador.—From San Francisco: Atlantic & Pacific Line, Kosmos Line, Pacific Mail Line.

From Portland, Ore.: Atlantic & Pacific Line.

From Puget Sound: Kosmos Line, N. Y. & Pacific Line.

Transshipment Routes: Salvador may be reached by all lines transshipping at Colon or Panama.

Uruguay.—See Argentine Republic. All Lines to Buenos Aires also take cargo for Montevideo.

Venezuela.—From New York: Red "D" Line, Royal Dutch W. I. Mail Line.

From Mobile: Seeberg Line.

From New Orleans: Seeberg Line.

From Port Arthur: Seeberg Line.

Transshipment Routes: The Royal Mail S. P. Co. transships cargo at Trinidad for Venezuela coast ports as far as La Guaria. The Trinidad Line works in connection with Orinoco River boats, transshipping at Trinidad for Ciudad Bolivar.

REQUIREMENTS FOR CONSULAR DOCUMENTS EXACTED
BY LATIN AMERICAN REPUBLICS

The preparation of consular documents is a very important matter; because of the risk of fines shippers should take every precaution to have the documentation, translation, etc., made correctly. For this purpose full data must be given forwarding agents, foreign freight agents of the steamship lines, or export agents in charge of sending the merchandise to destination. The regulations change very often and it is essential to keep advised of the requirements.

Argentina.—Documents may be written in English. The consular blanks are supplied by the Consul General at 5 cents per set. The number of copies to be furnished is three. Fee for certifying is \$2.00. Other requirements are that three copies of the steamship bill of lading be certified. There are also required three certificates of origin which must be attached to the bill of lading.

Bolivia.—Documents should be written in Spanish. The consular blanks are supplied by the Consul General at 75 cents to 90 cents per set. The number of copies necessary is three or four. Fee for certifying is \$3.00 for value not to exceed \$200.00; over \$200.00, 2 per cent. ad valorem is added. On shipments moving by way of Brazil, Chile, or Argentina, four copies of bill of lading are required. When moving by way of Chile, five copies.

Brazil.—English or Portuguese may be used in preparing documents. The consular blanks are supplied by the Consul General at rate of 5 cents per set, three copies constituting a set. A fee of \$1.65 is charged for certifying a set. On shipments whose value exceeds \$48.88, consular invoices are required. Shipments valued under that sum do not require consular invoices.

Chile.—In preparing documents, Spanish or English may be used. Consular blanks supplied by the Consul General may be had at the cost of 25 cents per set of four. The consular fee ranges from 1 per cent. to about $\frac{1}{2}$ per cent. ad valorem. An additional charge of 50 cents is made for certifying bills of lading.

Colombia.—In preparing documents, the Spanish language should be used. A charge of 10 cents is made for a set of five copies of consular blanks which can be obtained from the Consul General. The consular fee ranges from 1 per cent. to 3 per cent. ad valorem, according to value of goods.

Cuba.—The Spanish or English language may be used in preparing consular documents. A charge of 10 cents for a set of four or five consular blanks is made, which documents may be obtained from

the Consul General. The consular fee amounts to about 1 per cent. ad valorem, and an additional charge of \$1.00 is made for certifying of bill of lading. On consignments destined to Havana, it is necessary to furnish five copies of consular invoices; to other points in Cuba, but four copies are required.

Ecuador.—Documents should be prepared in the Spanish language. Seven copies of consular blanks are required, for which a charge of 20 cents is made. Blanks may be obtained from the Consul General. The consular fee is about 3 per cent. ad valorem.

Guatemala.—The preparation of documents should be in the Spanish language. Five copies are required, obtainable from the Consul General at a cost of 25 cents. A consular fee of \$7.00 is made for consignments whose value does not exceed \$100.00, the fee increasing as the value of shipments increases.

Honduras.—Preparation of documents should be in Spanish. Four copies of consular blanks are required, which cost 30 cents. Blanks are obtainable from the Consul General. On consignments whose value does not exceed \$25.00, a fee of \$1.00 is charged, the consular fee increasing with increased value of shipments. In most cases it is necessary to have invoices certified, for which no charge is made.

Mexico.—The preparation of documents may be in the Spanish or English language. Consular blanks may be obtained from the Consul General at a cost of 10 cents for a set of four. The consular fee amounts to about \$1.25 on consignments whose value does not exceed \$500.00. Consular invoices are only required on shipments moving via water.

Nicaragua.—Consular documents should be prepared in Spanish. Blanks may be obtained from the Consul General at a cost of 35 cents for a set of six. The consular fee is computed at destination and collection made from consignee. On shipments to Nicaragua it is necessary that on some commodities, shippers must certify point of origin.

Panama.—Spanish should be used in preparing documents. Consular blanks may be obtained from the Consul General at a cost of 15 cents for a set of two. Consul's fee ranges from 9/10 per cent. to 1 per cent. ad valorem, the minimum charge being \$1.00. For certifying bill of lading a charge of \$3.00 is made.

Paraguay.—Consular documents should be prepared in the Spanish language. Blanks may be obtained from the Consul General at a cost of 5 cents for a set of two. The consular fee for certifying to bill of lading is \$2.00. Another requirement is that shippers must certify as to origin of property.

Peru.—In preparing documents, the Spanish language should be

used. Consular blanks may be obtained from the Consul General. A charge of 25 cents is made for a set of four. A Consul's fee of 1 per cent. ad valorem is made. Another requirement is that bill of lading shall be certified, for which no charge is made.

Salvador.—The Spanish language should be used in preparing documents. Consular blanks may be obtained from Consul General at a cost of 25 cents per set of four. Consular fee is charged in accordance with value of shipment, ranging from \$1.00 upward.

Santo Domingo.—Documents should be prepared in Spanish. Blanks may be obtained from the Consul General, four blanks constituting a set. The Consul's fee is computed at destination and collected from the consignee.

Uruguay.—Documents are not required, but it is necessary that bill of lading be certified, for which a charge of \$1.05 is made. The Spanish language should be used.

Venezuela.—Consular documents should be prepared in Spanish. Blanks may be obtained from the Consul General at a cost of 35 cents for a set of four. The Consul's fee is computed on the value of consignments, a charge of \$3.75 being made for shipments valued at \$100.00 or less.

LIST OF AMERICAN CONSULATES IN LATIN AMERICA

The following is a list of American consulates, arranged according to the republics. Those marked with an asterisk [*] are Consular Agencies, subordinate to and under the direction of the principal Consular Officers. Those unmarked are the principal officers, Consulates General and Consuls.

<i>Argentine Republic</i>	<i>Chile</i>	* Medellin
Buenos Aires	Iquique	* Quibdo
Rosario	* Antofagasta	* Santa Marta
* Santa Fe	* Arica	Bogota
	Punta Arenas	Cartagena
<i>Brazil</i>	Valparaiso	
Bahia	* Caldera	<i>Costa Rica</i>
Para	* Coquimbo	Port Limon
* Manaus	* Talcahuano	San José
* Maranhao		* Punta Arenas
Pernambuco	<i>Colombia</i>	<i>Cuba</i>
* Ceara	Barranquilla	Cienfuegos
Rio de Janeiro	* Cali	* Caibarien
* Victoria	* Honda	* Sagua la Grande

Habana	Puerto Cortes	Progreso, Yucatan
* Cardenas	* San Pedro Sula	Salina Cruz, Oaxaca
* Mantanzas	Tegucigalpa	* Puerto Mexico
* Nueva Gerona	* Amapala	Saltillo, Coahuila
Isle of Pines	* San Juancito	San Luis Potosi, San
Santiago de Cuba		Luis Potosi
* Antilla	<i>Mexico</i>	Tampico, Tamauli-
* Barracoa	Acapulco, Guerrero	pas
* Manzanillo	Aguascalientes,	* Tuxpam, Vera
* Nuevitas	Aguascalientes	Cruz
<i>Dominican Republic</i>	Chihuahua, Chihua-	Tapachula, Chiapas
Puerto Plata	* Parral	Veracruz, Veracruz
* Monte Cristi	Ciudad Juarez, Chi-	<i>Nicaragua</i>
* Samana	huahua	Bluefields
* Sanchez	Ciudad Porfirio Diaz,	Cape Gracias a Dios
Santa Domingo	Coahuila	Corinto
* Azua	Durango, Durango	* Matagalpa
* Macoris (San Pe-	* Topia	* San Juan del Sur
dro de)	* Torreón, Coahuila	Managua
<i>Ecuador</i>	Ensenada, Lower Cal-	
Guayaquil	ifornia	<i>Panama</i>
* Bahia de Cara-	Frontera, Tabasco	Colon
quez	Guadalajara, Jalisco	* Bocas del Toro
* Esmeraldas	Hermosillo, Sonora	Panama
	* Guaymas	* Santiago
<i>Haiti</i>	La Paz, Lower Cali-	
Cape Hatien	fornia	<i>Paraguay</i>
* Gonaives	Manzanillo, Colima	Asuncion
* Port de Paix	Matamoros, Tamau-	
Port Au Prince	lipas	<i>Peru</i>
* Aux Cayes	Mazatlan, Sialoa	Callao
* Jacmel	* Los Moches	* Cerro de Pasco
* Jeremie	Mexico, Mexico	* Mollendo
* Petit Goave	* Guanajuato	* Païta
	* Oaxaca	* Salaverry
<i>Honduras</i>	* Puebla	Iquitos
Ceiba	Monterey, Nuevo Le-	
* Bonacca	on	<i>Salvador</i>
* Roatan	Nogales, Sonora	San Salvador
* Tela	* Cananea	
	Nuevo Laredo, Ta-	<i>Uruguay</i>
	maulipas	Montevideo

<i>Venezuela</i>	* Carupano	Puerto Cabello
La Guayra	* Ciudad Bolivar	* Coro
* Caracas	Maracaibo	

THE USE OF REPLY COUPONS

The reply coupon is used to prepay return postage and its cost is 6 cents. This coupon will be exchanged in certain countries for the postage stamp of that country equivalent in value to United States five-cent postage stamps. The same rates of postage apply from most countries to the United States as from the United States to them. Reply coupons are sold for use in the following countries: Argentina, Chile, Costa Rica, Cuba, Hayti, Honduras, Mexico.

MONEY ORDER FEES FOR LATIN AMERICA

Below are given the cost of international money orders to certain republics in Latin America.

For sums not exceeding

\$10.....	8 cents	Over \$50 to \$60.....	30 cents
Over \$10 to \$20.....	10 "	Over \$60 to \$70.....	35 "
Over \$20 to \$30.....	15 "	Over \$70 to \$80.....	40 "
Over \$30 to \$40.....	20 "	Over \$80 to \$90.....	45 "
Over \$40 to \$50.....	25 "	Over \$90 to \$100.....	50 "

FEES FOR FOREIGN MONEY ORDERS WHEN PAYABLE IN
BOLIVIA, CHILE, COSTA RICA, MEXICO, PERU

For sums not exceeding

\$10.....	10 cents	Over \$50 to \$60.....	60 cents
Over \$10 to \$20.....	20 "	Over \$60 to \$70.....	70 "
Over \$20 to \$30.....	30 "	Over \$70 to \$80.....	80 "
Over \$30 to \$40.....	40 "	Over \$80 to \$90.....	90 "
Over \$40 to \$50.....	50 "	Over \$90 to \$100.....	1 dollar

COUNTRIES IN LATIN AMERICAN REPUBLICS TO WHICH
INTERNATIONAL MONEY ORDERS MAY BE OBTAINED

Bolivia	Mexico
Chile	Panama
Costa Rica	Peru
Cuba	Salvador
Honduras	

LATIN AMERICAN COUNTRIES TO WHICH THE PARCEL POST EXTENDS

Countries	Limit of Size of Parcels			Limit of Weight	Limit of Value
	Greatest Length in Feet	Greatest Length and Girth Combined in Feet	Greatest Girth in Feet		
Bolivia.....	3½	6	.....	11 pounds	....
Brazil (See Notes 1 and 2).....	3½	6	.....	11 pounds	....
Chile.....	3½	6	.....	11 pounds	....
Colombia (See Note 9)	2	6	4	11 pounds	....
Costa Rica.....	3½	6	.....	11 pounds	....
Ecuador.....	3½	6	.....	11 pounds	\$50.
Guatemala.....	3½	6	.....	11 pounds	....
Haiti.....	3½	6	.....	11 pounds	....
Honduras.....	3½	6	.....	11 pounds	....
Mexico (See Note 4) ..	2	.....	4	See Note	....
Nicaragua.....	3½	6	.....	11 pounds	....
Panama.....	3½	6	.....	11 pounds	....
Salvador.....	3½	6	.....	11 pounds	....
Santo Domingo.....	3½	6	.....	11 pounds	....
Uruguay.....	3½	6	.....	11 pounds	....
Venezuela.....	3½	6	.....	11 pounds	....

Note 1.—Parcels sent to Brazil by parcel post can only be sent to the exchange offices of Bahia, Para (Belem), Pernambuco (Recife), Rio de Janeiro and Sao Paulo. Parcels addressed to other post offices in Brazil will be held at one of the above named exchange post offices and notice of arrival will be sent to the addressee asking him to take delivery of the parcel. If the addressee or some person authorized by him does not present himself at the exchange post office to take delivery of the parcel, the sender in the United States will be consulted as to its further disposition. The parcel post convention with Brazil provides as an exceptional measure that fatty substances, liquids, and those which easily liquefy may be included in parcels exchanged under the convention, but only when packed so as thoroughly to protect other articles from damage in case of accident. Arms and ammunition are forwarded at the sender's risk. Articles of value including valuable papers (bank notes, government securities, etc) are exempt from any fine when sent by parcel post to Brazil but are subject to a fine of 25 per cent. of the value if forwarded in the regular mails.

Note 2.—Under the convention with Brazil, unsealed parcels may contain in sealed receptacles articles which cannot be safely transmitted in unsealed receptacles, provided that the contents of the closed receptacles are plainly visible or are precisely stated on the covers of the inclosed receptacles, and that the package is so wrapped that the outer cover can be easily removed.

Note 3.—Colombia imposes a surtax of 5 per cent. of the declared value on merchandise imported by parcel post. The importer is required under penalty of an additional surtax to present an invoice, which, however, need not bear consular certification. Articles imported into Colombia by parcel post are subject to the following special customs regulation: If articles dutiable under different tariff classes are mailed in the same parcel, they are all dutiable at the rate applicable to the article paying the highest rate of import duty.

Note 4.—The weight of parcel post packages for Mexico is limited to eleven pounds for important places such as railroad stations and ports with which there is frequent communication. The limit of weight for places not easy of access is four pounds six ounces. Post-masters can always tell which limit applies to any place.

TABLE OF MAIL TIME FROM NEW YORK TO LATIN AMERICAN CITIES

Below are listed the principal places in Latin America to which mail is sent by different routes. The time specified for each place is that required for an ordinary delivery. Occasionally more time is needed, as there are delays incident to ocean transportation.

City	Route	Days	City	Route	Days
Antofagasta, Chile.....	Direct.....	27	Mexico City, Mex.....	By rail.....	5
Bahia, Brazil.....	Direct.....	15	Mollendo, Peru.....	Panama.....	24
Buenos Aires, Arg.....	Direct.....	25	Montevideo, Uru.....	Direct.....	25
Callao, Peru.....	Panama.....	17	Panama.....	Colon.....	7
Cartagena, Col.....	Direct.....	11	Payta, Peru.....	Panama.....	14
Ciudad Bolivar, Ven.....	Trinidad.....	11	Pernambuco, Brazil.....	Direct.....	13
Colon, Panama.....	Direct.....	7	Port au Prince, Haiti.....	Direct.....	12
Coquimbo, Chile.....	Panama.....	30	Port Limon, C. R.....	New Orleans.....	7
Greytown, Nic.....	New Orleans.....	9	Puerto Cabello, Ven.....	Direct.....	10
Guatemala City.....	New Orleans.....	7	Puerta Plata, San D.....	Direct.....	7
Guayaquil, Ecu.....	Panama.....	12	Rio de Janeiro, Brazil.....	Direct.....	19
Havana, Cuba.....	Direct.....	4	Samana, San D.....	Direct.....	8
Iquique, Chile.....	Panama.....	26	San Domingo City.....	Direct.....	7
Jacmel, Haiti.....	Direct.....	12	Santa Marta, Col.....	Direct.....	15
La Guayra, Ven.....	Direct.....	7	Santiago, Chile.....	Panama.....	32
Livingston, Guat.....	New Orleans.....	7	Santos, Brazil.....	Direct.....	21
Maceio, Brazil.....	Direct.....	17	Savanilla, Col.....	Direct.....	9
Maracaibo, Ven.....	Direct.....	10	Tampico, Mex.....	By rail.....	6
Maraham, Brazil.....	Direct.....	18	Valparaiso, Chile.....	Panama.....	31
Mayaguez, P. R.....	Direct.....	7	Vera Cruz, Mex.....	By rail.....	6
			Vera Cruz, Mex.....	By steamship.....	8

WEIGHTS AND MEASURES USED IN LATIN AMERICA

Below is given a table of the principal weights and measures used in Latin American countries. The American equivalents are given with approximate accuracy.

Denominations	Where Used	American Equivalents
Arobe.....	Paraguay.....	25 pounds
Arroba (dry).....	Argentine Republic.....	25.3171 pounds
Arroba (dry).....	Brazil.....	32.38 pounds
Arroba (dry).....	Cuba.....	25.3664 pounds
Arroba (dry).....	Venezuela.....	25.4023 pounds
Arroba (liquid).....	Cuba, Spain, and Venezuela.....	4.263 gallons
Baril.....	Argentine Republic and Mexico.....	20.0787 gallons
Carga.....	Mexico and Salvador.....	300 pounds
Centaro.....	Central America.....	4.2631 gallons
Cuadra.....	Argentine Republic.....	4.2 acres
Cuadra.....	Paraguay.....	78.9 yards
Cuadra.....	Paraguay (square).....	8.077 feet
Cuadra.....	Uruguay.....	Nearly 2 acres
Cubic meter.....	Metric.....	35.3 cubic feet
Fanega (dry).....	Central America.....	1.5745 bushels
Fanega (dry).....	Chile.....	2.575 bushels
Fanega (dry).....	Cuba.....	1.599 bushels
Fanega (dry).....	Mexico.....	1.54728 bushels
Fanega (dry).....	Uruguay (double).....	7.776 bushels
Fanega (dry).....	Uruguay (single).....	3.888 bushels
Fanega (dry).....	Venezuela.....	1.599 bushels
Frasco.....	Argentine Republic.....	2.5096 quarts
Frasco.....	Mexico.....	2.5 quarts
Gram.....	Metric.....	15.432 grains
League (land).....	Paraguay.....	4.633 acres
Libra (pound).....	Argentine Republic.....	1.0127 pounds
Libra (pound).....	Central America.....	1.043 pounds
Libra (pound).....	Chile.....	1.014 pounds
Libra (pound).....	Cuba.....	1.0161 pounds
Libra (pound).....	Mexico.....	1.01465 pounds
Libra (pound).....	Peru.....	1.0143 pounds
Libra (pound).....	Uruguay.....	1.0143 pounds
Libra (pound).....	Venezuela.....	1.0161 pounds
Manzana.....	Costa Rica.....	1 5-6 acres
Marc.....	Bolivia.....	0.507 pounds
Milla.....	Nicaragua and Honduras.....	1.1493 miles
Pie.....	Argentine Republic.....	0.9478 foot
Quintal.....	Argentine Republic.....	101.42 pounds
Quintal.....	Brazil.....	130.06 pounds
Quintal.....	Chile, Mexico, and Peru.....	101.61 pounds
Quintal.....	Paraguay.....	100 pounds
Suerte.....	Uruguay.....	2.700 cuadras
Vara.....	Argentine Republic.....	34.1208 inches
Vara.....	Central America.....	33.874 inches
Vara.....	Chile and Peru.....	33.367 inches
Vara.....	Cuba.....	33.384 inches
Vara.....	Mexico.....	33 inches
Vara.....	Paraguay.....	34 inches
Vara.....	Venezuela.....	33.384 inches

DISTRIBUTION BY COUNTRIES OF CAPITAL OF CITIZENS OF THE UNITED STATES INVESTED IN LATIN AMERICA

South America:

Argentina.....	\$40,000,000
Bolivia.....	10,000,000
Brazil.....	50,000,000
Chile.....	15,000,000
Colombia.....	2,000,000
Guianas.....	5,000,000
Ecuador.....	10,000,000
Peru.....	35,000,000
Uruguay.....	5,000,000
Venezuela.....	3,000,000

Total South America..... \$175,000,000

Central America:

Costa Rica.....	\$7,000,000
Guatemala.....	20,000,000
Honduras.....	3,000,000
Nicaragua.....	2,500,000
Panama.....	5,000,000
Salvador.....	2,500,000

Total Central America..... \$40,000,000

North America:

Cuba.....	\$150,000,000
Haiti and Santo Domingo.....	7,500,000
Mexico.....	750,000,000

Total North America..... \$907,500,000

Total Latin America..... \$1,122,500,000

COMMERCE WITH LATIN AMERICA

The following statistics demonstrate the importance of the commerce between the United States and Latin America:

	Year	Total Imports	Imports from United States	Per Cent.	Total Exports	Exports to United States	Per Cent.
Argentina....	1913	\$406,805,000	\$59,682,000	14.7	\$466,582,000	\$22,093,000	4.7
Bolivia.....	1913	21,358,000	1,900,000	8.9	36,551,000	218,000	.6
Brazil.....	1913	326,865,000	51,358,000	15.7	315,586,000	102,700,000	37.5
Costa Rica....	1913	8,685,000	4,468,000	51.4	10,322,000	5,241,000	50.8
Guatemala....	1913	10,062,000	5,053,000	50.2	14,450,000	3,923,000	27.1
Honduras....	1913	5,133,000	3,464,000	67.5	3,300,000	2,869,000	86.9
Nicaragua....	1913	5,768,000	3,244,000	56.2	7,712,000	2,722,000	35.3
Panama.....	1912	9,872,000	5,413,000	54.8	2,065,000	1,780,000	86.2
Salvador.....	1913	6,167,000	2,490,000	40.4	7,666,000	1,310,000	17.1
Chile.....	1913	120,274,000	20,089,000	16.7	144,653,000	30,418,000	21.0
Colombia....	1913	26,987,000	7,630,000	28.3	34,316,000	18,862,000	55.0
Cuba.....	1914	133,975,000	71,380,000	53.3	170,776,000	139,936,000	80.2
Ecuador.....	1912	10,653,000	2,764,000	26.0	13,718,000	3,965,000	28.9
Haiti.....	1913	10,935,000	6,499,000	59.4	17,273,000	842,000	4.9
Mexico.....	1913	93,020,000	44,510,000	47.8	129,971,000	98,544,000	75.8
Paraguay....	1913	8,120,000	488,000	.5	5,631,000	67,000	1.2
Peru.....	1913	29,631,000	8,542,000	28.8	44,469,000	14,761,000	2.9
Santo Domingo	1913	9,272,000	5,767,000	62.2	10,470,000	5,601,000	53.5
Uruguay.....	1913	50,666,000	6,300,000	12.4	65,142,000	2,972,000	4.6
Venezuela....	1914	17,005,000	6,158,000	36.2	26,324,000	10,540,000	40.0
Total.....		\$1,311,253,000	\$317,201,000		\$1,526,977,000	\$466,362,000	

COMPARATIVE TABLE OF SOUTH AMERICAN EXPORTS

In the table below will be found many articles which are shipped to European countries in a raw state, and after being partially or completely manufactured, are sold to the United States. Hereafter a larger percentage of Latin American exports will be shipped direct to this country from South America. A larger and more direct commerce with Latin America is desirable.

United States Imports in 1914	From All the World	From South America	From European Countries
Dried Blood.....	\$391,816	\$109,124	\$220,292
Bones, Hoofs, and Horns.....	1,060,466	552,886	495,445
Bone Manufactures.....	238,639		232,126
Charcoal.....	60,634		50,177
Salts of Cinchona Bark.....	624,125		624,125
Colors or Dyes.....	7,241,406		7,231,359
Crude Glycerine.....	4,486,415	39,811	4,198,660
Miscellaneous Gums.....	1,439,589	3,906	760,823
Brushes and Hair Pencils.....	2,180,853		1,503,207
Casein.....	705,264	129,888	551,623
Nitrate of Soda.....	17,950,786	17,808,763	1,548
Vegetable Wax.....	1,409,126	674,231	254,054
Crude Cocoa.....	20,797,790	6,501,734	5,088,596

United States Imports in 1914	From All the World	From South America	From European Countries
Prepared Cocoa.....	\$706,193	\$115	\$694,462
Coffee.....	110,725,392	94,041,086	1,141,284
Copper Ore.....	10,137,244	2,942,111	1,191,937
Copper Matte.....	3,559,740	2,871,109	326,850
Copper Pigs, etc.....	39,551,268	8,773,070	9,189,642
Cotton, raw.....	19,456,588	1,143,419	4,627,227
Feathers, natural.....	3,944,928	57,779	2,455,349
Feathers, part manufactured.....	3,131,972	4	3,104,758
Bone Dust and Ash.....	1,034,636	35,824	645,826
Guano.....	755,833	5	702,784
Fertilizers.....	6,199,554	790,082	3,424,305
Fibers and Textile Grasses, raw and manufactured.....	38,096,016	1,953	13,562,587
Fish Sounds.....	83,700	11,451	32,917
Walnuts.....	2,296,801	253,622	1,825,088
Glue.....	1,805,543	607	1,793,712
Horse Hair.....	1,663,448	400,363	983,033
Other Hair.....	1,051,698	33,386	864,310
Straw Hats.....	5,532,768	1,789,286	1,395,660
Dry Calfskins.....	11,582,807	530,374	10,443,920
Dry Cattle Hides.....	18,083,314	10,458,963	2,343,006
Green Cattle Hides.....	34,098,628	11,650,263	9,027,154
Goat Skins, dry.....	19,037,307	3,959,925	4,411,077
Goat Skins, green.....	3,153,956	.....	3,056,481
Horse Skins.....	2,134,011	47,358	1,922,764
Dry Sheepskins.....	6,165,947	494,245	3,559,225
Green Sheepskins.....	6,427,270	562,237	4,250,790
All Other Skins.....	3,835,591	154,446	2,626,033
Hide Cuttings, etc.....	2,158,514	144,675	1,679,479
Rubber, Gutta-percha, etc.....	72,336,544	17,771,910	43,800,980
Iron Ore.....	6,984,577	139,093	2,310,494
Vegetable Ivory.....	881,354	603,632	63,145
Lead Ore.....	711,460	182,775	124,224
Tanned Leather (Free Class).....	2,471,220	1,469	1,818,572
Manganese Ore.....	1,841,451	466,125	332,329
Fresh Beef and Veal.....	15,140,173	7,398,521	4,962,566
Fresh Mutton and Lamb.....	1,112,294	645,095	112,324
Preserved Meats.....	1,676,360	240,950	347,314
Sausage Casings.....	2,955,657	202,991	2,385,145
Butter.....	1,753,461	68,892	783,029
Cheese.....	11,010,693	.....	10,853,696
Crude Mineral Oil.....	11,776,737	506,535	750
Refined Benzine.....	1,398,448	867,020	1,622
Souvenir Post Cards.....	464,058	13	458,281
Motion Films.....	1,009,469	677	981,661
Plants, Trees and Shrubs.....	2,092,139	220	1,812,960
Platinum.....	1,489,208	398,657	1,062,409
Tin.....	39,422,479	.....	23,021,245
Beeswax.....	476,364	37,207	190,761
Cabinet Woods.....	6,142,536	44,160	2,034,311
Wood Pulp.....	16,556,792	.....	10,784,312
Wool.....	53,190,767	10,171,515	27,776,781
Zinc.....	90,481	66	56,820
Total.....	\$679,322,444	\$206,748,525	\$259,058,448

CLUBS AND SOCIETIES FOR BETTER PAN-AMERICAN
RELATIONS

The following is a list of some of the principal organizations devoted to the furtherance of better social and commercial relations with Latin America:

The Pan-American Society of the United States.—This is an organization which was founded in 1912 with a membership of a little over 100. It now has a membership of over 500 and is one of the most prominent organizations of its kind in the United States. It has issued a special handbook on Latin America; it has arranged numerous important dinners and luncheons to eminent Latin Americans. Under its auspices special meetings have been held for the discussion of Latin American countries by prominent Latin Americans. The Pan-American Society has coöperated with the Mexico Society and with organizations interested in promoting the cause of Pan-America in the United States. It has frequently shown hospitality and attention to representative Latin Americans who visit this country, and seeks by every possible means to develop a good understanding, through friendship and mutual knowledge of each other, among the American republics and people.

The society includes in its membership many prominent Americans. Its officers are: President, Henry Wert; Vice-Presidents, John Bassett Moore, Cabot Ward, John Barrett; Secretary, Harry Erwin; Treasurer, Lorenzo Daniels. Its address is the Mills Building, 15 Broad Street, New York.

The Pan-American Society of the Pacific Coast.—This is an organization similar to the Pan-American Society of New York and endeavors by every possible means to cement the relations between the people of Latin America and those of the United States. The Pan-American Society of the Pacific Coast is located at 219 Station American Bank Building, San Francisco.

The Hispanic Society of America.—This organization was founded in 1904, and owes its being to the generosity of Mr. Archer W. Huntington. It maintains a museum and quarters in New York on Broadway between 155th and 156th streets. The building was opened to the public in 1908 and has been the scene of many important exhibitions of paintings, manuscripts, etc. The membership is limited to 100, all honorary. It includes men of distinct achievements in Hispanic fields. Its corresponding members are young men and women who promise to achieve like distinction. The purpose of the society is to coöperate to the fullest degree in advancing knowl-

edge and in friendship for Spanish- and Portuguese-speaking people among those of English speech.

The Ibero-American Club.—This club affords a meeting place for merchants, tourists, planters, and visitors in general from Spanish or Portuguese countries. It is located at 200 West 77th Street, New York. It maintains the appurtenances of all good clubs, with files of the leading newspapers of the principal Latin American countries, etc. Visiting cards are issued to strangers for two weeks, and opportunity is given them to pass their evenings pleasantly in agreeable surroundings. Foreign merchants are admitted as nonresident members as are also those who reside more than 15 miles from New York. The dues are \$40.00 annually, with an initiation fee of \$15.00. In the case of nonresident members, this is reduced to one-half.

The Mexico Society, New York.—This is an organization whose purpose is to mold public sentiment in the United States regarding the republic of Mexico. Its offices and many of its members are prominent in Latin American affairs. This society's activities include meetings which are addressed by prominent Mexicans, etc. Its headquarters are in New York.

The Spanish-American Atheneum.—This is an organization of Washington, D. C. It was founded in December, 1912, for the purpose of promoting literary intercourse among Spanish-speaking people. An invitation to membership is extended to all who are interested in promoting the cause of Pan-America.

The Colombian Commercial Club.—The Colombian Commercial Club is established in New York at 123 West 95th Street. Its purpose is to bring about coöperation and good feeling between the citizens of Colombia and the United States, also the promotion, by free instruction, of the knowledge of the history, language, and commercial possibilities of the country, the maintenance of a library of books, etc. The club arranges lectures by experts, etc.

Pan-American Chamber of Commerce.—A chamber of commerce, in the meaning of such a body in Latin America, whose purpose is to assist in extending the foreign trade of its members, particularly to Latin America. Various trade branches are represented by one or two prominent houses. A variety of services are rendered to its members as well as merchants in Latin America. Membership is of two classes: Founders \$500.00, one payment only. Active members initiation fee \$100.00, dues \$50.00 yearly. The address is 42 Broadway, New York. Julio F. Sorzano is president.

Las Americas Association.—An organization to increase the reciprocal trade relations between the United States and Latin America. Membership is divided according to the manufacturer's importance

in the state. The total possible membership is 1,000. Membership entitles the holder to the privileges of the club rooms, commercial assistance of various kinds, an advertisement in the journal *Las Americas*, and exhibition privileges of merchandise when this can be accommodated in a display case approximately 3 feet 8 inches by 2 feet 8 inches, the cost of which is \$25.00 per annum. The cost of associate membership is \$100.00 annually, plus an initiation fee of \$200.00. There is also a nonresident membership for Latin Americans, costing \$5.00 a year. The official journal of the organization is *Las Americas*, of which 5,000 copies are issued monthly. The address is Hotel McAlpin, Broadway and 34th Street, New York, N. Y.

New York Exporters' Association.—An organization to further the foreign trade of New York exporters in general. Headquarters, New York City.

TYPICAL TOURS OF LATIN AMERICA

Below is given an outline of several typical tours of the Latin American republics. The number of tours offered is rapidly increasing, and information should be solicited of travel bureaus or railroads and steamship lines before making a decision.

Raymond & Whitcomb Tours.—

From New York, January 15.....\$2475.00
Cuba, Panama, Peru, and Bolivia (including Cuzco, LaPaz, and Lake Titicaca), Northern Chile, the Andes, Southern Chile, Straits of Magellan, Falkland Islands, Argentina, Falls of Iguazu, River Parana, Paraguay, Uruguay, Brazil, Trinidad, Barbados. Due in New York, June 23.

From New York, February 5.....\$1485.00
Cuba, Panama, Peru, and Bolivia (including Cuzco, LaPaz, and Lake Titicaca), Chile, the Andes, Argentina, Uruguay, Brazil, Trinidad, Barbados. Due in New York, May 19.

From New York, February 26.....\$1485.00
Cuba, Panama, Peru, and Bolivia (including Cuzco, LaPaz, and Lake Titicaca), Chile, the Andes, Argentina, Uruguay, Brazil, Trinidad, Barbados. Due in New York, June 2.

Thos. Cook & Son Tours.—

From New York, November 24.....\$1495.00
Jamaica: Kingston. Panama: Cristobal. Peru: Paíta, Eten Pacas-

mayo, Salaverry, Callao, Lima, Mollendo, Arequipa, El Misti, Cuzco, Sicuani, Juliaca, Puno. Bolivia: Guaqui, LaPaz, Obrajas, Tiahuanaco. Chile: Antofagasta, Coquimbo, Valparaíso, Santiago, Los Andes. Argentina: Mendoza, Buenos Aires, La Plata, Montevideo. Uruguay: Santos. Brazil: Santos, Sao Paulo, Itatiaia, Palmeiras, Rio de Janeiro, Bahia. West Indies: Trinidad, Bridgetown, Barbados, Martinique, St. Pierre, Dominica, Guadelope. Due in New York, February 26.

Typical Examples of Traveling Expense and Rates.—The concrete examples of the expense of traveling in Latin America may be obtained by an examination of the time tables, steamship and railroad tariffs. The following concrete examples might be added to, but will afford a basis for calculation:

Buenos Aires (Arg.) to Mendoza, \$31.40. Buenos Aires to Tucuman, \$22.82. Buenos Aires to Valparaíso and Santiago, first class \$58.00, second class \$33.81. Panama to Guayaquil (Ecuador), Pacific Steam Navigation Co., \$64.50. Panama to Valparaíso, Pacific Steam Navigation Co., \$104.50; to Callao, \$86.20. Colon (Panama) to New York, \$75.50.

TAXES CHARGED COMMERCIAL TRAVELERS IN LATIN AMERICA

Argentina.—There is no federal license for travelers in Argentina. The various provinces exact different licenses from salesmen and the charges vary considerably, being subject to frequent modification.

The following is a list of the rates that were current in the year 1913. (The value of the peso is \$0.4246.)

Buenos Aires (the capital), 500 paper pesos; Buenos Aires (the province), 400 paper pesos; Santa Fé, 400 paper pesos; Entre Rios, 600 paper pesos; Santiago del Estero, 300 paper pesos; San Luis, 400 paper pesos; Cordoba, 400 paper pesos; Tucuman, 600 paper pesos; Salta, 200-1,000 paper pesos; San Juan, 400 paper pesos; Mendoza, 600 paper pesos; Corrientes, 600 paper pesos; Jujuy, 100 paper pesos; La Rioja, 200 paper pesos; Catamarca, 200-300 paper pesos.

Licenses usually run from time of issuance until December 31, except in the province of Salta where they may expire on June 30 as well as at the end of the calendar year. A license to do business in the capital, Buenos Aires, is also valid in the national territories. In the cities of Cordoba, Mendoza, and La Rioja reductions can be

obtained if the application for license is made during the second half of the year. In the province of Corrientes the transaction of business with private individuals necessitates the payment of an additional tax of 400 pesos. In Jujuy the license fee of 100 pesos must be paid for each firm represented.

Samples of merchandise which is dutiable under the law may obtain free admission when carried by traveling salesman if satisfactory security is furnished to guarantee the payment of the regular customs duties in the event that merchandise is not reëxported within the maximum period allowed by law, 90 days. Such arrangements should be made through customs agents.

Bolivia.—There is no federal law but representatives of foreign houses are compelled to pay a tax in all Bolivian cities. The rates vary materially. The following are typical of the charges:

La Paz, 200 to 300 bolivianos; Cochabamba, 1,000 bolivianos; Oruro, 250 bolivianos; Potosi, 200 bolivianos; Sucre, 300 bolivianos; Uyuni, 250 bolivianos; Santa Cruz, 400 to 800 bolivianos; Tarija, 200 bolivianos. (Boliviano=\$0.389.)

The period for which a license is issued is from the date upon which the payment is made until the end of the calendar year in which it is taken out. Not infrequently reductions are made. Samples may be admitted free upon the giving of a satisfactory bond for the payment of the regular customs duties in the event that samples should not be reëxported. This obtains, although the Bolivian customs law does not specifically provide for it.

Brazil.—In Brazil no federal license tax is assessed by the republic; however, the various state, government and municipal authorities frequently assess taxes, and license fees must be paid. These vary so much, as stated in Chapter XIV, that a conference should invariably be held with the nearest American Consul before attempting to do business. Some salesmen arrange with local firms for their representation and, the local houses having been registered, a proper legal standing to enforce payment of claims is obtained.

Until very recently the usual customs duties were assessed on all samples and no exceptions were made; however, lately the custom of granting permission for the importation of samples upon the giving of satisfactory bond has become more common and the maximum period for which samples are permitted to remain in the republic is twelve months. As in the case of other countries, formal proof of reëxportation is required. The law also provides that a salesman may pay to the customs authorities the usual duties and upon re-exportation a refund of 90 per cent. will be made. The entry and

exportation of samples should be intrusted to a recognized customs broker.

Chile.—No federal or state license is required by traveling salesmen in order to solicit business. Permission is granted by the government for the introduction of salesmen's samples, the maximum period being six months, it being only necessary to furnish a bond covering the usual customs duties, which is forfeited in the event that samples are not reexported prior to the expiration of the term.

In Chile as well as in other Latin American countries it is essential to make definite arrangements with the customs authorities at the various ports of departure and entry. For this reason it is essential that a complete memorandum of the samples be carried. Upon first entry into Chile, as likewise into other countries, a consular document, viséd by the Chilean Consul in the American port of departure, should be obtained.

Colombia.—There is no federal tax, but in a number of the communities taxes are levied by the municipal governments. These are as follows:

In Cartagena, \$25.00 for a visit not extending over one year; in Medellin, \$40.00 for a stay of not more than four months (and apparently \$10.00 per month after such period); in Cali, \$30.00 for the first month and \$5.00 per month after such period. It also appears that such a tax has been levied in Manizales at the rate of \$10.00 per month and Santa Marta at \$5.00 per month.

Travelers' samples may be imported free of duty provided that they have no commercial value. In the event that samples are salable, the duties are paid at time of importation; provided they are reexported within one year, three-fourths of the amount is refunded. A consular invoice must invariably be obtained from the country in which departure is taken for Colombia. A reliable customs broker in the republic should invariably be consulted regarding details.

Ecuador.—The republic of Ecuador in 1909 passed a law which imposed a tax of 100 sucres, about \$49.00, on traveling salesmen from foreign countries, this tax to be collected for each visit. In practice the collection of this tax has not been rigidly enforced. Samples carried by salesmen may be admitted free of duty when a proper bond is furnished guaranteeing the payment of customs duties. The period may be that specified in making application for the bond. In order to avoid difficulties, particularly on a first visit, the salesman should be provided with a letter from his principals to one of the prominent firms of the port, requesting this courtesy for their representative, furnishing a guaranty against loss.

Paraguay.—There is no federal tax for samples, but various municipalities charge different rates in direct ratio to the importance and amount of the sales made. The following taxes are authorized in the cities of Asuncion, Villa Rica, Concepcion, and Villa del Pilar: first class, 5,500 pesos; second class, 4,000 pesos; third class, 2,500 pesos; fourth class, 1,800 pesos; fifth class, 1,200 pesos. At other places in the republic the taxes are only one-third as high. The taxes are payable in paper pesos which are much depreciated.

As in many of the other republics the taxes in Paraguay are not always collected and only infrequently is payment necessary. Salesmen's samples may be imported upon the giving of a proper bond. It is however essential that the samples be reëxported through the same port which they entered.

Peru.—The government of Peru enforces no national tax on traveling salesmen, but in the different municipalities varying taxes are collected. In Arequipa the tax is 25 soles, about \$12.00 quarterly; in Cuzco it is 50 soles, about \$24.00 for a visit. The payment of these taxes is said to be not rigidly enforced.

Samples are accorded free admission subject to certain rules, the principal one being the deposit in cash or bank draft of the usual customs duties on dutiable merchandise, which is refunded provided the reëxportation takes place within three months. It is essential that no variation in the quantity or character of the goods shall have taken place while within the Republic, else they will be confiscated.

Uruguay.—The government of Uruguay imposes upon commercial travelers the usual taxes which apply to the line of business. In the Department of Montevideo it is 200 pesos and elsewhere in the Republic it is 100 pesos (peso=\$1.034). The period for which the license is granted is from time of application until end of calendar year. The usual method of handling this matter is for the foreign traveler to make arrangements with a local business house which is already registered. Traveling salesmen are permitted to furnish bonds covering the customs duties on samples carried. If samples are not properly reëxported at the end of a given period, fixed by the authorities, the bond is forfeited.

Venezuela.—No federal or local taxes are imposed on foreign travelers by the republic of Venezuela. Samples may be imported free of duty provided proper bond is given, the latter being forfeited in the event that the samples are not reëxported within a definite period.

CENTRAL AMERICA

Costa Rica.—No federal taxes imposed, but various municipalities collect fees from traveling salesmen. In San José the tax is 50 colones, \$23.26, the period being for six months. It is said, however, that only about 10 per cent. of the commercial travelers make this payment. At Port Limon the municipal tax is 2 colones (\$0.93) per day, or 8 colones (\$3.72) per week. Travelers' licenses are also required in the following cities: Punta Arenas, \$6.00; San Ramon, Puriscal and Grecia, \$2.00; and Turrialba, \$3.00.

Guatemala.—Neither the Republic of Guatemala nor any of its municipalities or states imposes licenses upon commercial travelers. Samples may be imported upon the giving of a proper bond; although the law fixes two months as the period, it is said not to be too rigidly enforced.

Honduras.—No federal taxes are imposed by the government of Honduras on the samples carried by commercial travelers. The various municipalities, however, provide for the collection of such fees, although the laws are said not to be enforced very strictly. In the capital, Tegucigalpa, and in San Pedro Sula the tax is 50 pesos for each visit. In the port of Cortes the fee is 25 pesos, these taxes being for each visit, although, as in the other Latin American countries, the collection is often a matter of the attitude of the officials. Samples may be imported upon the giving of deposit of the duty usually paid, but the amount is refunded if the samples are reexported within ninety days.

Nicaragua.—No federal or municipal taxes are imposed on commercial travelers in Nicaragua. Samples carried by traveling salesmen are granted free admission provided a bond for the amount of duty leviable is furnished. In case the bond cannot be given a deposit of currency equal to the duty is accepted, and the latter is refunded if samples are reexported. The period for which they are allowed to remain in the country varies from one to three months. The samples may be entered at one port and reexported via another.

Salvador.—The republic of Salvador imposes no federal tax, but there are various municipal taxes to be paid varying in amount. In San Salvador, the capital, the nominal fee is 50 pesos and in some of the less important places it is 10 pesos. The license is granted for a period of one year. When salesmen carry samples which are salable an additional tax of 100 pesos is exacted, and if the stay is longer than two months an additional fee of 25 pesos for each month

is collected. Salesmen's samples may be imported free of duty provided proper bond is given. In this country, as in the other republics of Latin America, when samples are imported through one port and reexported through another, the salesmen should be very particular to obtain from the custom house at port of entry a document which may be easily checked up at the port of departure in order that there may be no difficulty regarding the cancellation of the bond.

Panama.—There is no federal tax assessed in Panama, but it is necessary to obtain various municipal licenses. The representatives of foreign commercial houses, whether or not they carry samples, must pay \$10.00 for each thirty days or fraction thereof. In Colon and Bocas del Toro the taxes are \$12.50 and \$10.00 respectively, for six months. Representatives of foreign houses who do not sell merchandise or obtain orders are not required to pay a license. The permanent representatives of foreign houses in Panama pay a graduated tax assessed by the Commercial Tax Commission. Samples are permitted to be introduced free of duty provided bond is given for their reexportation. If the samples do not check up properly when application for reexportation is made, the bond is forfeited.

Mexico.—There is no federal tax on samples carried by commercial travelers. Heretofore the various states or municipalities have nominally been compelled to pay taxes, but in practice the collection was a matter of the attitude of the authorities. For the duties on samples, travelers may give bond, which is canceled upon the reexportation of the merchandise. A certificate should always be demanded by the traveler at the port of entry, to be used upon departure from another port.

Cuba.—There is no federal, state or municipal tax upon commercial travelers. For the admission of samples carried by travelers, it is necessary to make deposit covering the duties on samples which have a commercial value. If reexported within three months, 75 per cent. of the duty is refunded. It is important that this be borne in mind in order that representatives may be supplied with sufficient funds.

Dominican Republic.—There is no federal or local tax upon commercial travelers. For samples carried bond may be given, usually for a period of ninety days. When reexported the bond is canceled.

Haiti.—Under the law a tax of \$50.00 must be paid by commercial travelers. However, the payment of this tax is subject to various interpretations. Samples may be admitted free when salable, but for merchandise of a commercial value bond must be given. When samples are reexported this is canceled.

*Total Imports and Exports of Merchandise in Latin America by Countries**Twelve Months Ending December*

	Imports			Exports		
	1913	1914	1915	1913	1914	1915
Central American States						
Costa Rica	\$3,458,069	\$3,353,425	\$3,522,144	\$3,516,700	\$3,044,575	\$2,703,953
Guatemala	3,413,514	4,594,890	6,489,280	3,366,596	3,127,117	3,176,627
Honduras...	3,314,229	2,751,497	2,598,784	3,753,179	5,600,667	4,403,603
Nicaragua.	1,668,403	1,449,746	2,127,447	2,888,026	2,306,301	2,626,268
Panama...	4,664,746	4,473,456	4,655,736	24,368,022	20,974,931	20,985,896
Salvador..	1,470,322	1,390,056	1,864,898	2,270,964	1,817,843	2,643,759
Total Central American States	\$17,989,283	\$18,013,070	\$21,258,289	\$40,163,487	\$36,871,434	\$36,540,106
Mexico.....	\$81,735,434	\$86,280,966	\$83,551,993	\$48,052,137	\$33,215,561	\$41,071,140
Cuba.....	\$125,093,740	\$146,844,576	\$197,548,146	\$73,238,834	\$67,877,382	\$95,113,652
Dom. Rep...	3,991,794	5,582,630	10,810,995	5,574,495	4,370,102	7,373,567
Haiti.....	810,201	1,171,649	1,494,927	5,698,155	3,841,154	4,904,053
	\$129,895,735	\$153,598,855	\$209,854,068	\$48,511,484	\$76,088,638	\$107,391,272
South America						
Argentina.	\$25,575,667	\$56,274,246	\$94,677,644	\$54,980,415	\$27,127,958	\$52,883,035
Bolivia....	398	172	33,107	962,459	805,876	960,189
Brazil.....	100,947,735	95,000,622	120,099,305	39,901,203	23,275,894	34,883,540
Chile.....	29,553,823	24,238,713	37,284,043	16,616,912	13,627,618	17,800,611
Colombia...	15,714,447	17,547,987	19,819,946	7,647,165	5,784,275	8,980,177
Ecuador...	3,462,567	3,355,916	5,416,565	2,821,646	2,504,014	3,368,493
Paraguay...	67,220	61,198	29,328	215,058	82,595	52,846
Peru.....	10,824,587	11,269,941	15,803,688	7,608,916	5,876,487	7,905,557
Uruguay...	1,860,609	9,597,168	13,889,464	7,617,110	4,153,438	7,865,602
Venezuela..	9,308,761	10,916,934	14,292,262	5,462,441	5,023,532	7,604,487
Total South America	\$197,315,814	\$228,262,907	\$321,345,352	\$142,833,325	\$88,261,687	\$142,304,537

POPULATION OF THE LATIN AMERICAN COUNTRIES
ACCORDING TO CLASSES

Argentina.—Population 7,467,878, per square mile 6.2. Of the population the aliens numbered 1,744,000. The percentage of four principal foreign nationalities is as follows: Italians 28 per cent.; Spaniards 24 per cent.; English 1.5 per cent.; German 1.5 per cent. The immigration into the republic for the period 1857-1913 was 4,550,402. The nationalities represented were as follows: Italians 2,247,760; Spaniards 1,420,393; French 211,608; Austrians 85,053; Britons 53,792; Germans 59,688; Swiss 32,504; Belgians 19,521; Russians 155,285; Syrians 130,937; Portuguese 24,997; North Americans 6,028. Typical immigration (1913): Italians 114,252; Spaniards 122,271; Russians 18,616; Turks 19,542; Danes 819; Americans 519. There is a high birth rate and a low death rate. There is also an excess of immigration over emigration, although there has been a very large annual immigration from Italy for work on the *estancias*. The natives are chiefly descendants of the Spanish settlers and there is a

percentage of Mestizos resulting from their intermarriage with the Indians.

Bolivia.—Population 2,088,711. Of the Bolivian people, the number of Caucasians of European origin (whites) 231,088—12.7 per cent. Indians (largely civilized tribes), 920,860—50.9 per cent. Mestizos (descendants of European-Indian marriages), 486,018—26.7 per cent. African negroes, 3,945—.21 per cent. Wild Forest Indians (including those elements not classified), 170,936 or 9.4 per cent. The white population is mainly descended from the early Spanish adventurers. The foreign population is about 7,425, of whom 2,072 are Peruvians. There are also some European business men and their families, some Spanish and Portuguese Americans.

Brazil.—Population (1908) 17,318,556. The population consists of descendants of early settlers and of their marriages with the various elements that have inhabited Brazil; European, principally of Latin origin; native Indians; Negroes (chiefly mixed blood). All of the foregoing are greatly mixed and there is no color line in Brazil. The division of races is chiefly geographical; along the coasts the predominating element is the white and negro; in the central and northeastern parts the Indian cross is marked. The population according to the Statesmen's Year Book (unofficial estimate of 1905) was divided as follows: whites 6,302,198; mixed blood (Mestizos) 4,638,495; Africans 2,097,426; Indians 1,295,796.

Immigration 1835 to 1913, 3,038,664. For the period 1820-1907, 2,561,482. Of these there were: Italians 1,213,167; Portuguese 634,585; Spanish 286,646; German 93,075; English 11,068. The Germans have settled chiefly in the extreme southern part of the republic, while the Italians are chiefly represented in Sao Paulo. The typical immigration—1913: There were 192,684 immigrants. The largest number were Portuguese, 75,665; Spaniards 40,540; Italians 30,375; Russians 8,375; Syrians 10,568; German 7,356; Austro-Hungarian 2,218; English 706; Japanese 7,122; French 1,420.

Chile.—Population 3,551,703—11 per square mile. There are three principal elements: White, Europeans and Creoles of white extractions, representing 30 to 40 per cent. Mestizos (mixed white and Indians) 50 to 60 per cent. Indians, the balance 20 to 30 per cent. Foreigners about 150,000. These are divided as follows: Peruvians 28,000; Bolivians 23,000; Spaniards 20,000; French 10,000; Germans 12,000; Italians 15,000; English 11,000. Miscellaneous inhabitants make up the rest. Immigration is not large. There are some foreign colonies, notably that of the Germans at Valdivia in southern Chile. On the whole, though, the percentage of foreigners is not large.

Colombia.—Population (1912) 5,475,961. The population of Colombia is generally divided as follows: white 10 per cent.; Mestizos (white and Indians) 40 per cent.; Indian 15 per cent.; Negroes 35 per cent. In the last group are also included the mixture of Indians with Negroes and of Negroes with Mestizos. The whites are chiefly the descendants of the early Spanish settlers who have not intermarried with the other classes. Of foreigners there is a comparatively small group, chiefly engaged in business. They are English, French, Italian, German and Spanish. The Negroes are generally found in the coastal regions. The Indians live in the interior, principally in the mountain districts. Immigration has not been large, although the republic offers many opportunities for colonists.

Costa Rica.—Population (1913) 410,981. The majority of the inhabitants are descendants of Spaniards (natives of Galicia) who were the early settlers. The percentage of Mestizos (mixed blood) is not large, as the Costa Ricans have maintained their social purity. The native Indians number about 4,500 and are found chiefly near the Nicaragua boundary. There are about 25,000 West Indian Negroes who live chiefly in the Province of Limon and are engaged in banana culture. The foreigners number from ten to twelve thousand and are mainly Spanish, Italian, German, British and French. The Spanish and German predominate.

Cuba.—Population (1914) 2,469,125, or 55.9 per square mile. The native Cubans represent but 88 per cent. of the total, aliens 12 per cent. In 1911 the native population was 1,961,896; foreigners 261,388. There are two large divisions: viz., whites 71.9 per cent., colored 28.1 per cent. Of the latter the mulattoes and blacks predominate; there is also a small percentage of yellow. Foreigners: Chiefly Spanish, although the English, Americans, French, Italians and Germans are represented. Immigration (1912) total 38,296: Spanish 30,660; North American 2,884; Jamaicans 1,269. In 1913 total 43,507; of these 34,278 were Spaniards.

Ecuador.—Population 1,500,000. The population of Ecuador consists chiefly of whites and Mestizos. The white population numbers 100,000 to 120,000. The Mestizos (or mixed) 350,000 to 450,000. There is also a group of uncivilized Indians or *Aucas* numbering 90,000, besides pure Negroes 7,831. Included in the Mestizos are some mixed white and blacks—about 37,000. Of foreigners there are 6,000 to 8,000, of whom 5,000 are Latin Americans from other republics. The Europeans (English, French, Germans, Italians, Spanish, etc.) represent about 1,500; North Americans 500 to 800; Chinese 400.

Guatemala.—Population 2,119,165. The population of Guatemala consists largely of two classes—Mestizos (mixed) and Indians. The Mestizos represent 40 per cent., the Indians about 60 per cent. The pure descendants of the European settlers are very small in number. The European nations are represented chiefly in commerce and the most important element is the German colony, which is engaged in coffee raising and banking. There are some French, Italians, North Americans, Spanish, etc.

Haiti.—Population (1912) 2,500,000. The people of Haiti are principally Negroes. There is a large group of mulatto Haitians, descendants of French settlers. The foreigners number about 5,000, representing chiefly other Latin Americans, particularly from Santo Domingo. The white foreigners, including Europeans and North Americans, total 500. The immigration into Haiti is very small.

Honduras.—Population (1911) 566,017. The population of Honduras consists largely of the Mestizos, or mixed element. The pure whites represent a very small percentage. Of Indians, there is a large representation, practically all civilized. The Sambos (blacks and Indians mixed) number about 6,000. Of foreigners the number is comparatively small. The European nations are represented in the principal places by business men, and there are also some Americans, particularly along the Atlantic Coast. Immigration is very small.

Mexico.—Population (1912) 15,501,684. Pure whites and nearly pure 19 per cent.; Mestizos 43 per cent.; Indians 38 per cent. The whites are Europeans and descendants of Europeans, besides descendants of early settlers who have not intermarried with the natives. There is a considerable foreign population in Mexico. The Europeans are largely represented, particularly the Germans, French, English and Italians. North Americans until 1912 were also numerous. In 1910 the number of foreigners was as follows: Spanish 29,541; Guatemalans 21,434; Americans 20,679; Chinese 13,203; British 5,264; French 4,604; Germans 3,827; Cubans 3,418; Turks 2,907; Italians 2,595; Japanese 2,216; Arabians 1,546; Danish 613.

Nicaragua.—Population 650,000, or 12.2 per square mile. The population of Nicaragua must be considered from the geographical standpoint. Western half: Chiefly Mestizos, of Spanish and Indian extraction. A comparatively small percentage of the people are of pure Spanish extraction. There are many Indians. In the eastern half there are: Mosquito Indians, Zambo Indians (mixed black and Indian), Negroes, some Mestizos and some North Americans. The number of uncivilized Indians is probably not over 20,000. The

foreigners in the republic are chiefly Europeans, including Germans, Spaniards, Italians and French. There are also some Americans who, like the Europeans, are engaged in trade and development. The total is not over 2,500.

Panama.—Population (1912) 336,742. The population of Panama is chiefly mixed. It includes Mestizos, descendants of the Spanish settlers, besides Indian and Negro elements. The Indians are found chiefly in Western Panama. Of foreigners there are residents of all European nations and a growing body of North Americans. The Chinese number 3,500. There are about 25,000 British subjects, chiefly West Indians, who are engaged mainly in tilling the banana fields.

Paraguay.—Population (1912) 800,000. The population of Paraguay consists largely of Mestizos. The various elements which have contributed to this are Indians, Europeans (chiefly Spanish) and Negroes. Among the Indians, the Guaraní strain is predominant. In 1911 there were 20,000 to 30,000 foreigners in Paraguay. Of these, the Argentines numbered 9,300; Italians 15,000; Germans 3,000; French 1,000; Brazilians 1,400; Spanish 1,100; English 400. The immigration is small. In 1913 it totaled 1,440.

Peru.—Population (1913) 4,600,000. The population of Peru is divided as follows: Whites 15 to 20 per cent.; Mestizos (Cholos and Zambos) 20 to 25 per cent.; Indians 50 to 55 per cent.; Negroes 1 to 2 per cent. The Peruvian population is quite mixed in character, but the Spanish influence is very strongly felt. There are two principal classes of Indians, the "uplands" and the "coast" tribes, the latter being known as "Cholos." The European nations are represented principally in Lima and Callao. The European business men are of English, Spanish, German, French and Italian extraction. An increasing number of Americans are settling in Peru, especially in the mining districts.

Salvador.—Population (1914) 1,225,835. The population of Salvador consists chiefly of Mestizos, Indians, and foreigners. The proportions are about as follows: whites (consisting of foreigners and Creole residents) 10 per cent.; Mestizos (mixed white and Indians) 50 per cent.; Indians about 40 per cent. Those of pure white blood number perhaps 3 per cent. The European nations, especially France, Germany and Italy, are represented in the larger cities where much business is in the hands of foreigners. There are also some English, Italians and other nationalities.

Santo Domingo.—Population (1913) 708,000. The population of Santo Domingo consists chiefly of Creoles of pure Spanish descent and of mixed European, African and Indian blood. As to foreigners,

there are many Syrians and Turks, who are chiefly engaged in the dry goods trade. There are also some representatives of the European nations who are engaged in trade. These are German, French, Italians, Spanish, English and some Americans.

Uruguay.—Population (1913) 1,279,359. The population of Uruguay consists largely of natives of the Indian type, Mestizos and foreigners. Among the latter the Italians and Spanish are in the majority. In northern Uruguay the Brazilian element enters into the population. Foreigners (1908) numbered 181,222. These were as follows: Italians 62,357; Spanish 54,885; Brazilians 27,789; Argentines 18,600; French 8,341; British 1,324; Swiss 1,406; German 1,112; all others 5,408. There is a considerable immigration, but largely of the casual sort, consisting of laborers who come for a period but return to Europe. In 1913 the immigration was 261,148. In 1912 the emigration was 232,644; typical emigration (1913), Spanish 14,418; Italian 12,805; Brazilian 1,173; French 1,398; German 1,139; English 1,248.

Venezuela.—Population (1913) 2,755,685. The population of Venezuela consists largely of Mestizos, those of mixed blood. There is considerable African blood besides Indians. The whites are chiefly descendants of European nations, especially Spanish. The percentage of the Mestizos is about 65 to 75 per cent.; whites of European descent about 10 to 15 per cent., and of the rest about 10 to 20 per cent. The European nations are represented, especially in the large centers. The number of foreigners is about 55,000. The most important elements are the Spanish, Italian, French, German and English. There is a small number of North Americans. Immigration in 1912 was 9,672.

PAN-AMERICAN AFFAIRS IN COLLEGES AND UNIVERSITIES

Below is given a list of colleges and universities in the United States which have special courses for the study of the Latin American countries from various standpoints. In addition to the universities listed, other institutions of learning are constantly adding similar courses upon one or more phases of the problem.

University of California.—

History of Spain and Spanish America. Economic geography of the Pacific Ocean countries. Foreign relations of the United States in the American field.

Columbia University.—

Mexican Archeology, Archeology of northwestern South America, Ethnography of America and Siberia.

Hispanic institutions and culture.

Spanish colonization in the United States.

Colonial Latin America.

The Latin American republics (general).

Relations of the United States and Latin America.

University of Denver.—

Summer school course on South America of today (historical and geographical).

Harvard University.—

Economic course in Latin America.

Course on Latin American history (postponed until 1915-1916).

American diplomacy.

University of Illinois.—

History and politics of Latin America.

Leland Stanford Junior University.—

Latin American History.

History of Mexico and early California.

History of Brazil.

Peabody College.—

(Nashville, Tenn.)

Summer school course on Latin America, language, commercial and industrial geography, and people.

University of Pennsylvania.—

United States and Latin America.

University of Texas.—

History of Latin America.

University of Wisconsin.—

Latin American political institutions.

Yale University.—

South American history, commerce, and geography.

University of Cincinnati.—

Spain and Spanish America.

University of Mississippi.—

Summer school course on History and Geography of South America.

Northwestern University.—

(Evanston, Ill.)

Geography of South America.

University of Texas.—

American diplomacy (alternate years).

Similar course on constitution, governments and modern political conditions in the leading South American countries.

Physical, political and industrial geography of Mexico, Central America, and the West Indies. (Not given until 1916-1917 and will later include all of Latin America.)

Comparative constitutional law includes study of Brazil, Argentina, and Chile.

Foreign Trade (includes Latin America).

University of Virginia.—

Summer school courses on Latin American social development; international relations, with emphasis on international peace.

University of Wyoming.—

Summer school course on Spanish American history and present-day conditions.

Emerson Institute.—

(1740 P Street N. W., Washington, D. C.)

Courses of three, six, and nine months. Languages, geography, resources, etc.

BRANCH OFFICES OF THE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

New York City, N. Y., Room 409, United States Custom House.

Boston, Mass., Eighteenth Floor, United States Custom House.

Chicago, Ill., 504 Federal Building.

St. Louis, Mo., Room 402, Third National Bank Building.

Atlanta, Ga., Room 521, Post Office Building.

New Orleans, La., Room 1020, Hibernia Bank Building.

San Francisco, Cal., Room 366, United States Custom House.

Seattle, Wash., Room 922, Alaski Building.

COÖPERATIVE DISTRICT OFFICES

Cleveland Chamber of Commerce, Cleveland, Ohio.

Cincinnati Chamber of Commerce, Cincinnati, Ohio.

Assistant General Freight Agent, C. N. O. & T. P. Ry. Co., Cincinnati, Ohio.

Los Angeles Chamber of Commerce, Los Angeles, Cal.

Detroit Board of Commerce, Detroit, Mich.

Philadelphia Chamber of Commerce, Philadelphia, Pa.

South American Agent, Southern Ry. Co., Chattanooga, Tenn.

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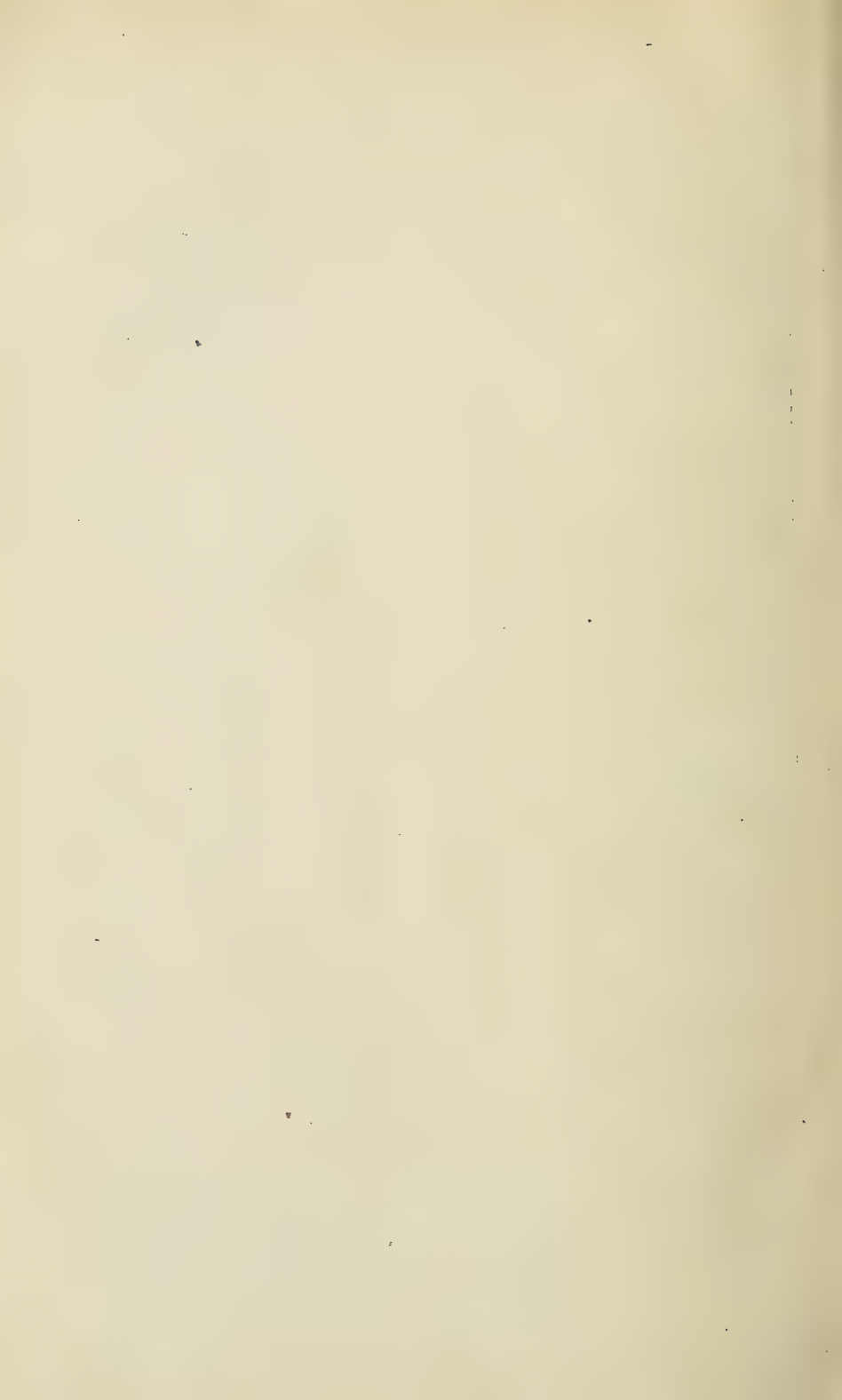
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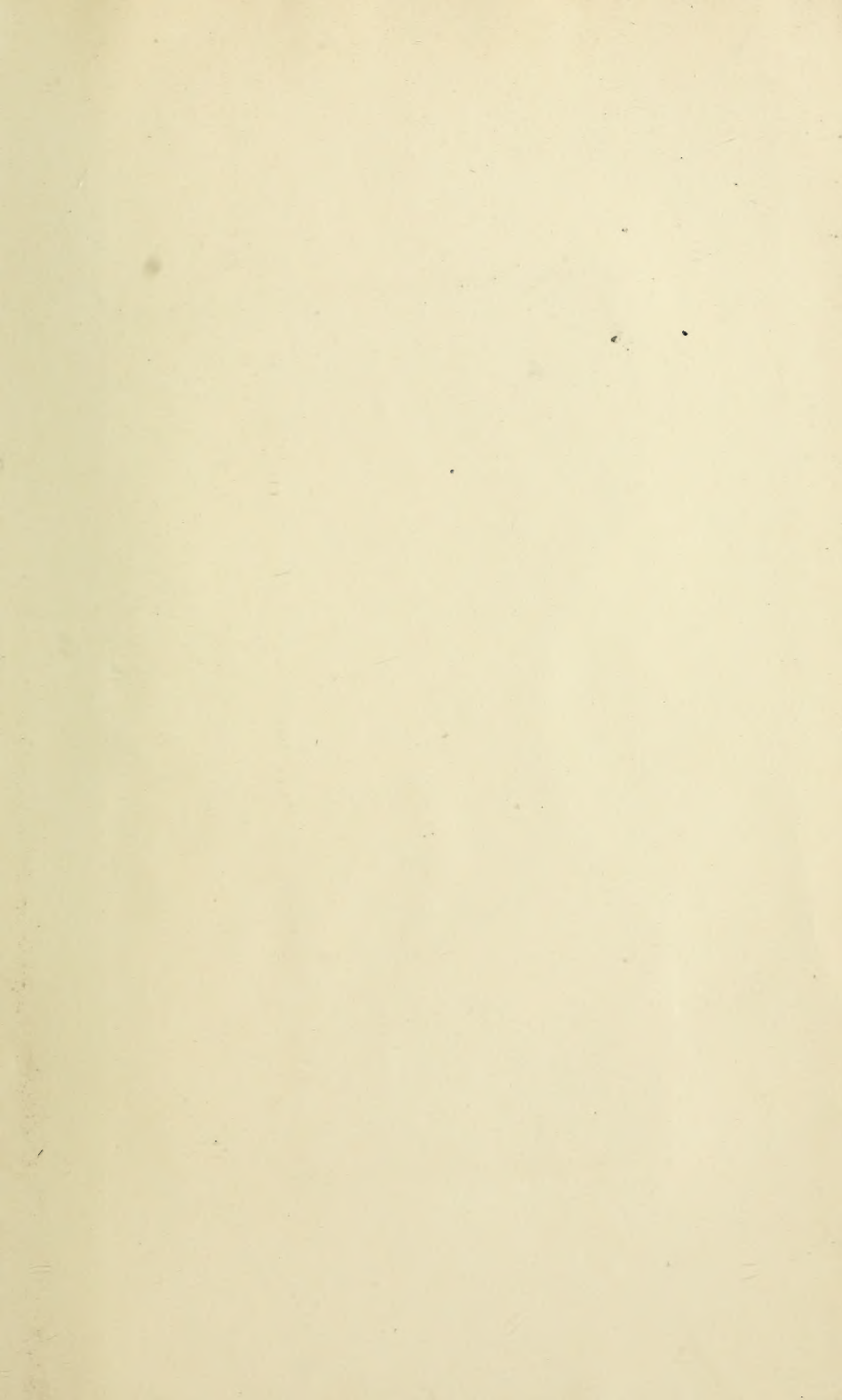
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